



Alm. Brand A/S

(a public limited liability company incorporated in Denmark registered under CVR no. 77333517)

The DKK 1,300,000,000 Floating Rate Subordinated Callable Tier 2 Capital Notes

Issue Price: 100 per cent.

ISIN: DK0030487806

FISN: Alm. Brand AS/1.20/Tier 2 2031

CFI: DBVUGB

This prospectus (the "**Prospectus**") has been prepared by Alm. Brand A/S (the "**Issuer**") for the admission to trading on the regulated market Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") of the DKK 1,300,000,000 Floating Rate Subordinated Callable Tier 2 Capital Notes (the "**Notes**") issued on 14 October 2021 by the Issuer. The issue of the Notes was mandated by resolutions of the Board of Directors of the Issuer on 28 September 2021 and 12 October 2021. An application has been made for admission of the Notes to trading and listing on the regulated market Nasdaq Copenhagen. The Issuer expects the first day of trading of the Notes on Nasdaq Copenhagen to be 11 April 2022.

Unless otherwise defined herein (including under Part III – "Definitions and Glossary"), capitalised terms used in this Prospectus shall have the meaning given to them in Part II, section 19 – "Defined terms" (the "**Conditions**"). Any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.

The Notes constitute direct, unsecured and subordinated obligations of the Issuer, and shall at all times rank: (a) senior to payments to holders of present or future outstanding Junior Obligations of the Issuer; (b) *pari passu* without any preference among themselves; (c) *pari passu* with payments to holders of present or future outstanding Parity Obligations of the Issuer; (d) junior to payments to holders of present or future outstanding Tier 3 Capital of the Issuer; and (e) junior to payments to holders of present or future claims of (i) all policyholders and beneficiaries and any other unsubordinated creditors of the Issuer and (ii) creditors in respect of any other obligations or instruments of the Issuer that rank or are expressed or required in accordance with the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital) to rank senior to the Notes.

The Notes bear interest on their Outstanding Principal Amount at a rate per annum, equal to the sum of the applicable Screen Rate plus the Margin, payable quarterly in arrear on 14 January, 14 April, 14 July and 14 October in each year commencing on 14 January 2022 subject to deferral as provided below and further described in the Conditions. The deferral or non-payment of any Interest Payment shall not constitute a default or event of default for any purpose on the part of the Issuer.

The Issuer shall, save as otherwise permitted pursuant to the applicable Conditions, defer an Interest Payment where (i) the Issuer is in Capital Requirement Breach, or the Interest Payment would lead to a Capital Requirement Breach or bankruptcy would occur as a result of the Interest Payment, and/or (ii) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules to defer the relevant Interest Payment.

The Notes will mature on the Maturity Date and the Issuer may, subject to, and as further described in, the applicable Conditions, redeem all (but not some only) of the Notes on the First Call Date or on any Interest Payment Date thereafter at their then Outstanding Principal Amount together with any accrued and unpaid interest to (but excluding) the date of redemption. Upon the occurrence of a Tax Event, a Capital Disqualification Event or a Rating Agency Event, the Issuer will also have the right to (i) redeem all (but not some only) of the Notes on any Interest Payment Date at their then Outstanding Principal Amount together with any accrued and unpaid interest to (but excluding) the date of redemption or (ii) substitute at any time all (but not some only) of the Notes for, or amend or vary the terms of the Notes so that they become or remain Qualifying Tier 2 Notes or Rating Agency Compliant Notes (as applicable), in each case subject to, and as further described in, the applicable Conditions. No Noteholder has any right to require the Issuer to redeem or repurchase the Notes at any time.

Payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future Taxes imposed or levied by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer shall pay such Additional Amounts in respect of Interest Payments but not in respect of any payments of principal as may be necessary so as to ensure that the net amounts received by any Noteholder after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes in the absence of the withholding or deduction, subject to certain exceptions as further described in the applicable Conditions.

The Notes are rated BBB by Fitch Ratings Ltd., which is a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the "CRA Regulation"). Fitch Ratings Ltd. appears on the latest update of the list of registered credit rating agencies on the ESMA website <https://www.esma.europa.eu/>. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.

The Notes are issued in uncertificated book entry form in accounts with VP Securities A/S, Nicolai Eigtveds Gade 8, DK-1402 Copenhagen K, Denmark and in denominations of DKK 1,000,000 each. Each Note in the Securities Depository is registered with a minimum settlement unit of DKK 1,000,000, meaning that the Notes can only be traded in portions having an aggregate nominal amount of DKK 1,000,000 or, if greater, an even multiple of DKK 1,000,000. Amounts payable on the Notes (as described in the Conditions) will be calculated by reference to the Copenhagen Inter-bank Offered Rate (CIBOR), which is provided by the Danish Financial Benchmark Facility.

Danske Bank A/S, Holmens Kanal 2-12, DK-1092 Copenhagen K, Denmark acts as VP Agent in respect of the Notes. No representative, agent or trustee has been appointed to represent the holders of the Notes.

Title to the Notes shall pass by registration at the relevant Securities Depository in accordance with (i) applicable law governing the relevant Securities Depository, and (ii) the rules and procedures of such Securities Depository. The Noteholder will be the person evidenced as such by a book entry in the records of the relevant Securities Depository. Where a nominee is so evidenced, it shall be treated by the Issuer as Noteholder.

An investment in the Notes involves certain risks. Prospective purchaser of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in light of their own circumstances and financial condition. The principal risks that could affect the ability of the Issuer to satisfy its obligations with respect to the Notes are described in the section "Risk Factors".

Prohibition of sales to EEA retail investors - The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a "retail client", as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); (ii) a "customer" within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a "professional client" as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

Prohibition of sales to UK retail investors - The Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a "retail client", as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a "customer" within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a "professional client", as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**"); or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and eligible counterparties only target market - Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Manager

Nordea

This Prospectus is dated 8 April 2022

IMPORTANT INFORMATION

Restrictions

The Notes are subject to Danish law and this Prospectus has been prepared under Danish law in compliance with the requirements set out in the Danish Consolidated Act no. 1767 of 27 November 2020 on capital markets, as amended (the "**Danish Capital Markets Act**"), Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, (the "**Prospectus Regulation**") as well as the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended, (the "**Delegated Prospectus Regulation**") and the Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 supplementing the Prospectus Regulation with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301, as amended. This Prospectus has been drawn up in conformity with Annex 7 and Annex 15 of the Delegated Prospectus Regulation.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Manager to subscribe for or purchase, any Note in any jurisdiction to any person to whom it would be unlawful to make such an offer or invitation in such jurisdiction.

This Prospectus does not constitute or form part of any offer or invitation to subscribe for or purchase any Note to any person with a registered address, or who is resident or located in, the United States.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**") or pursuant to an exemption from the registration requirements of the U.S. Securities Act.

The distribution of this Prospectus and other offering material relating to the Notes and the offer of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe such restrictions. For a further description of certain restrictions on the offering and sale of the Notes and on the distribution of this Prospectus, see "Selling Restrictions" below.

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RESPONSIBILITY STATEMENT

The Issuer's Responsibility

The Issuer is responsible for this Prospectus in accordance with Danish law.

The Issuer's Statement

We hereby declare, as the persons responsible for this Prospectus on behalf of the Issuer, in our capacity as members of the Board of Directors and the Executive Management, that to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

We furthermore declare that this Prospectus has been approved by the Danish FSA as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). The Danish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus or be considered as an endorsement of the quality of the Notes that are the subject of this Prospectus. This Prospectus has been prepared in accordance with the prospectus regime for wholesale non-equity securities in conformity with Annex 7 and Annex 15 of the Commission Delegated Regulation (EU) no. 2019/980 of 14 March 2019.

Prospective investors should make their own assessment as to the suitability of investing in the Notes.

Copenhagen, 8 April 2022

Alm. Brand A/S

Board of Directors

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy chairman

Tina Keith Schmidt Madsen
Board member

Karen Sofie Hansen-Hoeck
Board member

Boris Nørgaard Kjeldsen
Board member

Anette Eberhard
Board member

Per Viggo Hasling Frandsen
Board member

Pia Laub
Board member

Lotte Kathrine Sørensen
Employee elected member

Claus Nexø Jensen
Employee elected member

Brian Egested
Employee elected member

- 1
- 2 Jørgen Hesselbjerg Mikkelsen: Farm owner
- 3 Jan Skytte Pedersen: Manager
- 4 Tina Keith Schmidt Madsen: Manager
- 5 Karen Sofie Hansen-Hoeck: Manager
- 6 Boris Nørgaard Kjeldsen: Managing director
- 7 Anette Eberhard: Manager
- 8 Per Viggo Hasling Frandsen: Estate owner
- 9 Pia Laub: Professional board member
- 10 Lotte Kathrine Sørensen: Staff association chair
- 11 Claus Nexø Jensen: Tied agent (agricultural insurance)
- 12 Brian Egested: Head of department
- 13
- 14

The Executive Management

Rasmus Werner Nielsen
Chief Executive Officer

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RISK FACTORS

Any investment in the Notes is subject to a number of risks and involves a high degree of financial risk. Prospective investors should carefully consider all information included in this Prospectus (including any information or material incorporated by reference) including the risks described below, before they decide to invest in the Notes. This section addresses both general risks associated with the industry in which each of the Issuer, the Group, Codan Denmark and the Enlarged Group operates, and the specific risks associated with their businesses. If any such risks were to materialise, the Group's, or following completion of the Acquisition, the Enlarged Groups' business, results of operations cash flows, financial position and/or prospects could be materially and adversely affected resulting in a decline in the value of the Notes and a loss of part or all of the prospective investor's investment. Further, this document describes certain risks relating to the structure of the Notes and the market generally and certain risks pertaining to the Issuer's contemplated acquisition of Codan Denmark. For a description of the Acquisition, please see Part I, section 5 – "The Acquisition of Codan Denmark".

*The risks and uncertainties discussed below are those that the Management currently views as material in terms of the Group, and, following completion of the Acquisition, the Enlarged Group, but these risks and uncertainties are not the only ones that it faces. Additional risks and uncertainties, including risks that are not known to the Issuer at present or that the Management currently deems immaterial or less likely to materialise, may also arise or become material or more likely to materialise in the future, which could, individually or in the aggregate, materially and adversely affect the Group's and Codan Denmark's businesses, results of operations, cash flows, financial position and/or prospects resulting in a decline in the value of the Notes and a loss of part or all of the prospective investor's investment. In particular, with respect to certain risks and uncertainties discussed below, the Management has assessed the probability of such risk or uncertainty materialising and, if such risk or uncertainty did materialise, the expected impact on the Issuer (the "**Forward-Looking Assessments**"). By their very nature, such Forward-Looking Assessments are inherently uncertain and are subject to a wide variety of significant assumptions and business, economic, and competitive risks and uncertainties (including events and circumstances that may or may not occur in the future and may not be within the Issuer's control) that could cause actual results to differ materially from the Forward-Looking Assessments presented in this document. The Issuer urges prospective investors to treat the Forward-Looking Assessments with caution and not place undue reliance on the Forward-Looking Assessments.*

The most material risks, as currently assessed by the Management, taking into account the expected magnitude of their negative impact on the Group, Codan Denmark and the Enlarged Group and their business and the likelihood of the risk materialising, are set out first in each category of risk factors below. For the risk factors where the likelihood of the risk materialising has not been stated, the Management has not been able to estimate such likelihood.

These "Risk Factors" (including the Forward-Looking Assessments) speak only as of the Prospectus Date, and the Issuer undertakes no obligation and does not intend to update such statements in the future.

1. RISKS RELATING TO THE ACQUISITION

1.1 The Acquisition is subject to a number of conditions that remain outstanding, which may not be satisfied or waived or the receipt of which may prevent or delay completion of the Acquisition.

The obligations of the parties to complete the Acquisition is subject to a number of conditions that remain outstanding, including approval from the Danish Competition and Consumer Authority required to consummate the transactions contemplated by the Share Purchase Agreement.

Although the Issuer has given certain contractual commitments to satisfy the conditions to the Acquisition for which it is responsible, including to use best endeavours to ensure the satisfaction of the required regulatory approvals referenced above, and in the case of the required competition approval from the Danish Competition and Consumer Authority, to accept any conditions as may be required by Danish Competition and Consumer Authority to obtain such approval, fulfilment of the conditions are generally not within the Issuer's control and there is no guarantee that the conditions for completion of the Acquisition that have not been satisfied will be satisfied (or waived, if applicable) or, if satisfied, when this may occur. On 20 January 2022, the Danish Competition and Consumer Authority informed the Group that its processing of the Group's acquisition of Codan entered the second, and final, phase. The Acquisition may, therefore, not complete (if the conditions are not satisfied (or, if capable of waiver, waived) by the Long Stop Date) or may be delayed.

Further, the Seller is wholly or partly responsible for leading the process for fulfilling certain of the conditions, including seeking certain of the required approvals, in particular in relation to completion of the Demerger and completion of the Reorganisation. Any failure or delay hereof may result in a delay in the completion of the Acquisition and/or lead to the abandonment of the Acquisition.

Any delay in the completion of the Acquisition due to delays in obtaining the necessary regulatory approvals or for other reasons, may impact the Enlarged Group's ability to realise the expected benefits and synergies as outlined for the years 2022 – 2025. In addition, a delay may result in additional costs for the Group and Codan Denmark relating to the obtainment of the necessary regulatory approvals and/or to the satisfaction of other outstanding conditions for the Acquisition. A delay may also prolong the anticipated time frame for the integration process, see also "Risk Factors", 1.5 – "The Enlarged Group's management and resources may be diverted away from core business activities due to personnel being required to assist in the integration process."

1.2 Regulators or other authorities may seek to impose new or more stringent conditions on the Group or the Enlarged Group prior to approving completion of the Acquisition.

The Acquisition is subject to a number of regulatory approvals having been obtained from regulators, including the Danish FSA and the Danish Competition and Consumer Authority. These and other regulators may impose unexpected conditions for the completion of the Acquisition, changes to the terms of the Acquisition, or additional requirements, limitations or costs on the business of the Group. As examples, such conditions may relate to conditions for the governance structure of the Enlarged Group or to solvency requirements for the Enlarged Group. In addition, the Danish Competition and Consumer Authority has the power to demand divestiture of specific customer portfolios or business areas, or to impose specific behavioural commitments or a waiver of certain

terms, for example in partnership agreements. On 20 January 2022, the Danish Competition and Consumer Authority informed the Group that its processing of the Group's acquisition of Codan entered the second, and final, phase.

Any such legal or regulatory conditions, changes, requirements, limitations or costs may materially change the economic rationale for the Acquisition, limit the contractual rights of the Group, limit the revenues of the Group or the Enlarged Group, impose additional regulatory capital requirements on the Group or the Enlarged Group, restrict the ability of the Group or the Enlarged Group to generate, distribute or release cash, increase the costs of the Group or the Enlarged Group, reduce the ability of the Group or the Enlarged Group to achieve cost and capital synergies, and in some cases lead to the abandonment of the Acquisition or otherwise adversely affect the Group's or the Enlarged Group's practices or otherwise adversely affect the business, financial condition, results of operations and prospects of the Group or the Enlarged Group. In addition, any delays in obtaining such regulatory approvals may adversely affect the realisation of anticipated synergies.

Although the Issuer considers the risk of not obtaining the necessary regulatory approvals less likely any failure or delay in obtaining such regulatory approvals or any such additional requirements, or limitations set by the regulators or any additional costs incurred in this respect, may materially adversely affect the Group's or following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

1.3 The Group has no right to terminate the Acquisition or adjust the purchase price for Codan Denmark if there is a decline in value of Codan Denmark or regulators impose additional requirements on the acquisition affecting value.

The Group has no right to terminate the Acquisition or adjust the purchase price even in the event of a material adverse change in the value of Codan Denmark or if regulators impose additional requirements, limitations or costs on the business of the Enlarged Group as conditions for providing approval for the Acquisition. In the event that there is a material adverse event affecting the value of Codan Denmark, a material adverse requirement, limitation or cost is imposed by a regulatory requirement affecting the value of the Acquisition, or the value of Codan Denmark declines for any other reason, the Acquisition will nonetheless have to complete and the value of Codan Denmark could be less than the consideration agreed by the Issuer to pay irrespective of any such value decline. Although the Group considers this scenario less likely to materialise, if such event occurs, the Group may have to pay, as consideration for its interests in Codan Denmark, an amount in excess of market value at the time of completion of the Acquisition which may reduce the Enlarged Group's equity and value negatively.

1.4 The Group's due diligence investigations on Codan Denmark prior to the Acquisition may not have revealed all risks, which, if materialised, may impact the factors considered in attributing value to Codan Denmark or result in unforeseen difficulties and costs in integrating Codan Denmark into the Group.

Applicable competition law restrictions limited the information that was made available to the Group under the due diligence investigation of Codan Denmark. This consequently limited the Group's ability to perform due diligence on Codan Denmark in relation to competitively sensitive areas of

Codan Denmark's business. This increases the risk of unknown risks, and any valuation adjustments and liabilities. Moreover, as a consequence, the Group may encounter integration challenges that it did not foresee when announcing the Acquisition.

Both prior to and following completion of the Acquisition, new issues may be identified, such as material liabilities or risks within Codan Denmark. Such issues may not be covered by the Group's warranty and indemnity insurance, as only losses arising from a breach of the warranties will be covered (subject to the caps and limitations included in the insurance policy), which could have a material adverse effect on the Enlarged Group's financial condition and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

1.5 The Enlarged Group's management and resources may be diverted away from core business activities due to personnel being required to assist in the integration process.

The Enlarged Group's management and resources may be diverted away from core business activities due to the integration process which is expected to take approximately four years with expected completion in 2025. Any delays in obtaining the necessary regulatory approvals may prolong the integration process. The integration process will divert the management's time from its other responsibilities which could potentially lead to the interruption of operations of the Enlarged Group or a loss of customers or key personnel, which may affect customer retention and the realisation of anticipated synergies. As certain speciality business lines are dependent on highly specialized business professionals, in areas such as underwriting and claims handling of renewable energy and marine business, actuaries, vital IT-competences, risk engineers etc., who are difficult and/or expensive to replace, a loss of key personnel could impact the Enlarged Group's ability to compete in certain business areas and/or affect the Enlarged Group's existing portfolio business. Loss of key personnel could also lead to reputational damage. Although the Management considers the risk of this scenario materialising as limited, a diversion of the Management's time from its other responsibilities because of either the integration process or the Divestment process may potentially have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

1.6 The Enlarged Group may fail to realise all or part of the anticipated benefits and synergies of the Acquisition.

The Enlarged Group may not realise the anticipated benefits and cost synergies of the Acquisition which are to a large extent dependent on the timely and successful integration of Codan Denmark into the Enlarged Group. Completion of the Acquisition is expected to occur during H1 2022.

While the Issuer believes that it has demonstrated experience in integrating businesses and can draw on its skilled resource pool as a result of its previous integrations of, among others, Saxo Privatbank A/S in 2018 and Trafik G/S in 2017, Codan Denmark is the largest integration of a company in the Group's history and is expected to have a larger degree of complexity due to the size and structure of Codan Denmark.

The integration of Codan Denmark may take longer than anticipated, prove more costly than anticipated, and/or difficulties currently unknown may arise in connection with the integration. The technological infrastructure includes complex computer and data processing insurance platforms, which may prove the integration of Codan Denmark's information technology systems and processes into the Group more difficult than anticipated. Following the carve-out of RSA Scandinavia from the RSA Group, which took place on 1 June 2021, as well as following the Demerger expected to be executed in H1 2022, Codan Denmark is and will be dependent on the RSA Group and Tryg in a number of areas which may prove to be difficult to separate in practice and may thus potentially delay the integration process despite the transitional services arrangements that have been established. RSA and Codan Forsikring have entered into a transitional service agreement (TSA1) on 1 June 2021 covering these areas, over which the Issuer has no influence. At the date of the Demerger expected for H1 2022, RSA and Codan Forsikring will transfer TSA1 from Codan Forsikring to Chopin Forsikring, which will be holding Codan Denmark. In addition, a transitional service agreement (TSA2) established between Chopin NewCo A/S (now: Chopin Forsikring) on one side and Tryg Forsikring A/S on the other side with effect from the date of the Demerger. Any delays or difficulties encountered in connection with the above-mentioned processes or transitional arrangements could adversely affect the integration process and the implementation of the Enlarged Group's plans and may result in the Enlarged Group not realising some of the anticipated benefits and cost synergies of the Acquisition and lead to the integration process proving to be more difficult, time-consuming or expensive than anticipated.

Delays resulting from a delay in the completion of the Acquisition as described in "Risk Factors", 1.1 – "The Acquisition is subject to a number of conditions that remain outstanding, which may not be satisfied or waived or the receipt of which may prevent or delay completion of the Acquisition.", may result in the Enlarged Group encountering difficulties in achieving the anticipated synergies of the Acquisition. In addition, the due diligence conducted on Codan, as described in "Risk Factors", 1.4 – "The Group's due diligence investigations on Codan Denmark prior to the Acquisition may not have revealed all risks, which, if materialised, may impact the factors considered in attributing value to Codan Denmark or result in unforeseen difficulties and costs in integrating Codan Denmark into the Group.", may lead to new issues being identified that may negatively affect the basis for the assessment of the achievable benefits and synergies. Likewise, unexpected loss of key personnel in specialised areas such as underwriting and claims handling of renewable energy and marine business, actuaries, vital IT-competences, risk engineers etc. who are difficult and/or expensive to replace, as described in "Risk Factors", 1.5 – "The Enlarged Group's management and resources may be diverted away from core business activities due to personnel being required to assist in the integration process.", may also negatively affect the basis for the assessment of the achievable benefits and synergies. Finally, any unexpected loss of key partnerships and customers due to the Acquisition or integration challenges, or other undiscovered dis-synergies may impact the realisation of all or part of the expected benefits and synergies of the Acquisition. Given the diversity of aspects that may impact the expected ability to realise the anticipated benefits and synergies it is not possible to predict the overall likelihood of this risk scenario materialising, however, should the situation arise, any

failure to realise the anticipated benefits synergies may affect the Issuer's expectations for return on investment and earnings impact. In addition, any failure to realise the anticipated benefits and

synergies may have a material adverse effect on the Enlarged Group's cash flows, business, financial condition, results of operations and prospects and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

1.7 The Group may realise a loss on its investment in Codan Denmark as Codan Denmark for a limited period of time have to operate on a separate basis under the control of the Seller after the carve-out of RSA's Scandinavian business from RSA on 1 June 2021 and after the contemplated Demerger and until completion of the Acquisition subject to agreed transitional arrangements.

Following the carve-out of RSA's Scandinavian business from RSA on 1 June 2021, Codan Forsikring, holding Codan Denmark, and following the contemplated Demerger (expected for H1 2022) Chopin Forsikring, holding Codan Denmark, will no longer be able to rely on the wider RSA infrastructure and platforms, including many technological systems thereby having to operate on a separate basis without any support from RSA, and after the Demerger also from Tryg, limited to specifically agreed transitional arrangements covered by TSA1 and TSA2. Although the Management deems the risk of this occurring as limited, any failure by RSA or Tryg to support Codan Denmark in accordance with the agreed transitional arrangements, or any lack of sufficient remedies under the agreed transitional arrangements or any failure to include necessary transitional arrangements into the agreed arrangements could have a material adverse effect on the business, financial condition, results of operations and prospects of Codan Denmark and as a consequence hereof a material adverse effect on the value of the Group's investment in Codan Denmark.

A loss or diminishment of the Group's investment in Codan Denmark would have a material adverse effect on the Group's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations, reputation and prospects and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

1.8 The Group may be exposed to compulsory demerger liability arising from the Demerger.

Under Danish law, where a creditor of a limited liability company participating in a demerger is not paid, each of the other participating limited liability companies are jointly and severally liable for the actual and contingent obligations existing at the date of publication of the demerger plan, subject, however, to a maximum amount equal to the net value contributed to that company (compulsory demerger liability). Accordingly, there is a risk that Chopin Forsikring will be held liable for claims raised against Codan Forsikring or Tryg related to the business received as part of the Demerger. Likewise, Tryg has a risk of being held liable for claims raised against the contributing company or Chopin Forsikring related to the business received as a part of the Demerger.

The demerger liability is secondary in the way that Chopin Forsikring or Tryg will not be liable unless a creditor has unsuccessfully made a claim against Chopin Forsikring or Tryg respectively. The risk of statutory demerger liabilities materialising will persist until a claim becomes statute barred. Under Danish law, this would generally be after three years with potential for suspension up to a maximum of ten years. In relation to claims that are not known by the creditors, however, it could under special circumstances be up to 30 years, depending on the merits of the claim.

The demerger liability is governed by a Demerger Agreement that contains an indemnification from Tryg Forsikring A/S against Chopin Forsikring and vice versa if the demerger liability relates to the part of the demerged business which Tryg or Chopin Forsikring receives in connection with the Demerger. Hence, the actual risk related to the demerger liability is concentrated on claims against the contributing company, e.g., potential tax claims. Although the Issuer deems it unlikely to happen, should the demerger liability materialise, Chopin Forsikring's liabilities will increase which could impact its ability to pay out dividends to Alm. Brand Forsikring and consequently to pay out dividends to the Issuer. This may impact the Issuer's ability to meet its obligations under the Notes.

1.9 The Group will have no influence on the process or the execution of the Demerger.

The Group will have no influence on the Demerger process setting out the terms and timing of the Demerger as well as defining the ultimate split of the business of Codan Forsikring into Codan Norway and Trygg-Hansa to be transferred to Tryg, and Codan Denmark to be transferred to Chopin Forsikring respectively. The Issuer is not a party to the Demerger Agreement, which together with the Separation Agreement will set out the terms and principles for the Demerger and will only be entitled to review and to be consulted on on-going development, the drafting and the negotiations between Tryg and Intact in respect of the Demerger Plan, the Demerger Agreement and the Demerger Balance Sheet. Although the Management at this stage has no knowledge of any delays, inaccuracies, inconsistencies, mistakes, or unfavourable scoping of the Codan DK Business, to be transferred to Chopin Forsikring as the Target, if such materialise, it may have a material adverse effect on the Group's and, following completion of the Acquisition, the Enlarged Group's anticipated synergies related to the Acquisition.

1.10 The Group will have no ability to control Codan Denmark prior to completion of the Acquisition.

The Seller will have full control over Chopin Forsikring and Codan Denmark until completion of the Acquisition and will be in charge of leading the process for fulfilling certain of the conditions, including the seeking of certain of the required approvals, in particular in relation to completion of the Demerger and completion of the Reorganisation. Any failure, including failure to comply with regulation and/or breach of contractual obligations, or delay hereof may result in delays in the Acquisition (including any realisation of synergies), adverse impact and/or lead to the abandonment of the Acquisition.

In addition, the Seller will ultimately continue to have the overall responsibility for the governance and prudent operation of the whole of Chopin Forsikring and Codan Denmark, until completion of the Acquisition. The Seller is not contractually obliged to procure that the Issuer will have any operational control or influence over Chopin Forsikring and Codan Denmark and/or that decisions of the Issuer in respect thereof are implemented.

The terms and duration of the period of ownership by the Seller until completion of the Acquisition could result in a diminishment in the value of Codan Denmark. This may occur through, for example, losses of key employees or poor financial performance of Codan Denmark in the period up until the completion of the Acquisition or for other reasons, all of which may have a material adverse effect on Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's anticipated synergies related to the acquisition, cash flows, business, financial condition, results of operations

and prospects and accordingly the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2. RISKS RELATING TO THE BUSINESS AND INDUSTRIES IN WHICH THE GROUP AND CODAN DENMARK OPERATE AND IN WHICH THE ENLARGED GROUP WILL OPERATE

2.1 The frequency and severity of claims incurred by the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are affected by the incidence of adverse and extreme weather events and climate change and such factors may accordingly adversely affect their cash flows, business, financial condition, results of operations and prospects.

The frequency and severity of claims incurred by the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are affected by the incidence of adverse and extreme weather events and climate change. Severe weather events such as rainstorms, windstorms, snowstorms, severe winter weather, hailstorms, floods, and fires, all of which may be exacerbated by the increasing effects of climate change, may cause significant damage to insured homes and commercial property, particularly in heavily populated areas where there is a commensurate concentration of risk.

The frequency and severity of extreme weather events, including those related to climate change, are subject to long-term external influences. Climate change impacts disaster risk through the likely increase in extreme weather events. Thus, climate change could result in a higher level of weather claims, which would in turn lead to increases in reinsurance costs and prices for impacted insurance products, including home and contents and building insurance products. The impact of long-term external influences such as climate change should be considered in assessing the Group's results for any given period.

The Group and Codan Denmark are focused on identifying tendencies towards increased weather-related claims due to climate changes. This analysis is complicated and required to be conducted over a period of time. Accordingly, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not have sufficiently accounted for extreme weather events hereunder as a consequence of a potential increased likelihood of extreme weather events due to climate changes. Although the Group has not historically identified an increased number of claims due to an increase in the frequency of extreme weather events, if extreme weather events occur, or occur with a higher frequency than expected, and the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, have not sufficiently accounted for this, it may have a substantially adverse effect on their financial condition and results of operations.

As an example, harsh winters result in higher levels of claims due to auto accidents and broken pipes from cold weather, as harsh winters leads to poorer conditions for motorists, which increases the risk of car damage and accidents as well as cold weather can cause water in pipes to freeze to such an extent that the pipes cannot withstand the pressure.

Although the Issuer deems that there is a limited risk that adverse and extreme weather events and climate changes will impact the Group in a manner not already accounted for by the Group, such

events and changes, which are outside the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's control can, if materialized, lead to increased claims expenses which are not taken into account in the risk assessment that lies behind the insurance premium determination and risk management. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.2 Competition in the market for general non-life insurance may adversely impact the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group if they fail to keep pace with changes in the industry, including new challenges presented by traditional and non-traditional competitors, hereunder multi-national insurance companies and other companies, or fail to continue to provide attractive and innovative products and services, use of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's products and services could decline and may thereby adversely affect their cash flows, business, financial condition, results of operations and prospects.

The Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's prospects depend on a continued increase in demand for the products and services offered and the ability to focus on new customer segments, roll-out of adjacent product categories, as well as on continued positive economic development in Denmark. If the market lacks growth or if there is a general decline in conventional insurance products and demand for the products of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, it will be difficult to further develop the customer base or be able to focus on new customer segments and adjacent product categories as expected, which may have a material adverse effect on the cash flows, business, financial condition, results of operations and prospects.

The market in which the Group and Codan Denmark operate and, following completion of the Acquisition, the Enlarged Group will operate, is highly competitive with a number of existing small, medium and large competitors and potentially new entrant competitors. Certain of the Group's and Codan Denmark's current competitors have been reorganising and/or consolidating which has led to increased financial capacity of such competitors to invest in new products and solutions. Accordingly, the market is characterised by rapid and significant technological change, new product and service introductions, changing customer needs and preferences and the entrance of non-traditional competitors, and the Group expects this to continue or even increase. In order to remain competitive, the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group will need to anticipate and respond to these changes, which require continued investment in, and time spent on, innovation and research and development.

If the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group fail to identify and keep pace with these changes or to continue to develop and introduce attractive and innovative products and services, the use of their products and services could decline, but the Group expects the probability for such failure to be limited. For example, advancements in technology facilitating self-driving cars could potentially reduce the number of car accidents altering the motor insurance industry. Any lack of, or delay in, offering new products and services, or failure to differentiate the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's products and services or accurately predict and address market trends and demand, could render their products and services less desirable to their customers or even obsolete, which,

in turn, could have a material adverse effect on their cash flows, business, financial condition, results of operations and prospects.

In order to service its large corporate customer segment, Codan Denmark must be able to service and support multinational companies with interests outside Denmark with local policies. In territories where it is not possible to issue a Freedom of Service (FOS) policy, Codan Denmark is relying on the support of the RSA Global Network, which will arrange for a local policy to be issued and reinsured back to Codan Denmark. It could have a material adverse effect on its results of operations and future prospects should Codan Denmark no longer be able to service the multinational customer segment.

Moreover, the projects that the Group and Codan Denmark have undertaken and, following completion of the Acquisition, the Enlarged Group will undertake, in order to enhance its technological solutions and respond to evolving market trends require significant investments, may prove to be unsuccessful or insufficient. If the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group invests in acquisitions and/or research and development to target new products, services and solutions for markets or trends that do not develop as anticipated or at all, the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group could have difficulty recovering the costs that it has incurred in relation to any acquisitions or in researching and developing these new products, services and solutions and, to the extent that such investments have been capitalised, incur significant write-offs, all of which may, if materialised, have a material adverse effect on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.3 The Group's and Codan Denmark's prospects depend and, following completion of the Acquisition, the Enlarged Group's prospects will depend on customer retention and a continued increase in demand for the products and services offered, the ability to focus on new customer segments, roll-out of adjacent product categories and the economic development in Denmark.

As part of the integration of Codan Denmark into the Group, large implementation programmes will be initiated. Such programmes are expected to include IT integration programmes and programmes related to the integration of the administration and claims handling which are designed to realise the anticipated synergies and ensure an optimal integration of Codan Denmark into the Enlarged Group. Generally, large-scale IT projects and other development projects could face various difficulties resulting in increased costs and resources required for the implementation of the IT projects, see also "Risk Factors", 2.10 – "The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may experience unexpected delays or costs in connection with existing or future IT projects.". If such difficulties arise as a consequence of the integration, this may negatively impact the Enlarged Group's customer retention and ability to focus on new customer segments and roll-out of adjacent product categories, which may impact the demand for the Enlarged Group's products and services.

The success of certain limited non-life insurance products that are less resilient to an economic downturn than other non-life insurance products is closely tied to the general economic development in Denmark which currently, due to the presently increased inflation and interest rates and the Russian-Ukrainian conflict, seems volatile and difficult to predict the development of. The Danish non-life insurance market has experienced limited growth and is expected to continue to experience only limited growth, as the market has a high penetration. Furthermore, the market is experiencing decreasing premiums for employee and private insurance products, which puts further limitations on growth.

Specific segments of Codan Denmark's business are dependent on international development. Specific lines of Codan Denmark's business within the commercial segment that are more international focused are dependent on continued increase in demand internationally. This is particularly true for the business area renewable energy. Continuous market demand and investor appetite to provide investments into these segments are accordingly key and the lack hereof may affect the cash flows, business, financial condition, results of operations and prospects of Codan Denmark. Due to the international focus for parts of the commercial segment, Codan Denmark has some, but limited, exposure towards Russia and Ukraine. The exposures are in practice in run-off but due to the Russian-Ukrainian conflict, the risk of losses related to these exposures are considered less likely due to insurance terms and conditions related to war as well as sanction clauses.

Although the Group has not experienced such impacts in the past, the Management considers there to be a moderate risk that negative developments in, or the general weakness of, the Danish economy may have a negative impact on the spending patterns of existing or potential customers and their willingness of such customers to acquire non-life insurance products. A weakening economy may also lead to a higher number of missed premium payments and the cancellation of policies. Therefore, a negative economic development in Denmark could have adverse effect on the Danish non-life insurance market and thereby on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.4 The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are dependent on strategic partnerships and brokers to distribute their products. A loss of business provided by such strategic partners and brokers could have a material adverse effect on the Enlarged Group's assets, strategic position, result of operation and forecasts which may impact its cash flows, business, financial condition, results of operations and prospects.

Strategic partnerships are fundamental to the Group's and Codan Denmark's distribution of their products and will, following completion of the Acquisition, be fundamental to the Enlarged Group's distribution of its products. The Group has strategic partnerships with Volkswagen Semler Finans Danmark A/S, Sydbank A/S and Willis Insurance Agency as well as others for distribution of the Group's products. In 2021, 2% of the Group's products were distributed by strategic partners and the Management expects and forecasts this share to increase in the coming years.

Similarly, a key distribution channel for Codan Denmark in the market for private insurance is strategic partnership agreements. Approximately 44% of Codan Denmark's private segment's sales in

2021 (based on new business) were generated through its exclusive bancassurance partnerships which provide Codan Denmark with a significant network of banks including the 4th and 5th largest banks in addition to an association with 47 local banks. Furthermore, partnerships provide point-of-contact across various age groups in Denmark. For example, Codan Denmark has access to a network of over 900,000 elderly customers through a partnership with Ældre Sagen and to a cohort of students and employed high earners through a partnership with Djøf. In addition, in Codan Denmark's commercial segment, insurance brokers form an important distribution channel.

Such partners are distributing the Group's and Codan Denmark's products to potential new customers. It is the Group's and Codan Denmark's ambition, and it will be the Enlarged Group's ambition, following completion of the Acquisition, to continue growing strategic partnerships to increase the partners' distribution of products and to ensure that the Enlarged Group through such partnerships is able to differentiate itself from its competitors.

In addition to such strategic partnerships, the Group and Codan Denmark have entered into agreements with a number of insurance intermediaries and brokers which are also distributing the Group's and Codan Denmark's products to existing and potentially new customers. Further, Codan Denmark also uses a global network of insurers to operate international insurance programmes where local insurance partnerships are needed for operational or compliance purposes. The network has been utilized for many years and following the ownership changes, Codan Denmark's status in the network has changed from an internal user to an external strategic network partner which will result in higher requirements for participation. If the Enlarged Group does not have access to the network subsequent to the Acquisition, the Enlarged Group will need to find alternative local insurance providers in the relevant countries. This may extend the renewal process for the customers insurance policies and could potentially result in loss of customers and imply costs or loss of revenue. This may increase the risk of not being able to meet the requirements of participating in the global network of insurers. If such risk materialises, it may impact Codan Denmark's cash flows and business.

Accordingly, the Group and Codan Denmark are, and following completion of the Acquisition, the Enlarged Group will be, dependent on such strategic partnerships to ensure continued and increased distribution of products. While the agreements for strategic partnerships and distribution vary in form and content, with some being pure referral agreements, not all strategic partners, insurance intermediaries and independent brokers are committed to recommend or sell the Group's or Codan Denmark's products. As such, insurance intermediaries and brokers may in some cases represent more than one insurance company, including direct competitors, and therefore the Enlarged Group will face competition within such insurance intermediaries and brokerages. The parties to the cooperation agreement between Codan Forsikring, Privatsikring, Nykredit Realkredit A/S and other parties have in certain circumstances and subject to certain conditions such as, but not limited to, change of control provisions certain rights which, if materialised, could have a material adverse effect on the Group's and, after completion of the Acquisition, the Enlarged Group's assets, value and results of operations and future prospects hereof.

Even though the Group has historically not experienced a loss of strategic partnerships, the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group could, although considered less likely, experience a loss of strategic partnerships especially as the Enlarged Group is expected to increase the number of its strategic partnerships. In this situation, the Enlarged

Group may also in some cases not be sufficiently competitive in attracting new strategic partnerships.

Entering and maintaining strategic partnerships may require substantial development efforts and may also imply a change in, among others, risk profile, underwriting results, capital needs and internal governance requirements. A loss of strategic partnerships or an inability to attract new strategic partnerships may have a material adverse effect on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

Partnerships may affect the perception and accordingly the value of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's brand and other intangible property rights. Although the Group has not previously experienced it, if the partnerships or the partners do not perform and provide the customers with a sound customer experience, including regulatory compliant and service oriented claims handlings, this may materially negatively affect the customers' perception of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's brand and other intangible property rights and accordingly negatively affect especially their assets, strategic position, results of operations and forecasts. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.5 Failure in the Group's, Codan Denmark's and/or, following completion of the Acquisition, the Enlarged Group's own or outsourced information technology systems, including as a result of cybercrime or information security weaknesses, and poor data quality could lead to a breach of regulations and contractual obligations and have a material adverse effect on their reputation, cash flows, business, financial condition, results of operations and prospects.

The Group's and Codan Denmark's technological infrastructure is critical to the operations of their respective businesses and delivery of products and services to clients as the Group and Codan Denmark have, and, following completion of the Acquisition, the Enlarged Group are dependent on a large amount of customer data. Even with the back-up recovery systems and contingency plans that are in place, the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may experience interruptions, failures or breaches in capacity, security or data (including use of corrupt data) of these processes and systems and, if they occur, that they may not be adequately addressed. This also includes the intentional or unintentional release of proprietary information about the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, their clients or their employees. Although the Group has not previously experienced such events, any of such events, if materialised, may substantially negatively impact the Group's and, following completion of the Acquisition, the Enlarged Group's servicing of their customers, hereunder entering into new insurance agreements, issue policies and pay out claims, in addition to calculations of for example their risks and premiums, which in turn may negatively impact the Group's customer retention.

Following completion of the Acquisition, Codan Denmark's IT systems and data are planned to be integrated into the Group's current IT systems which imply an elevated risk of failures, losses and/or break downs in the Enlarged Group's IT systems, data and operations. See also "Risk Factors",

2.10 – "The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may experience unexpected delays or costs in connection with existing or future IT projects" for further information on risks associated with large IT projects.

The Group and Codan Denmark rely on their operational processes and communication and information systems to conduct their business, including pricing of their products, their underwriting liabilities, the required level of provisions and the acceptable level of risk exposure and to maintain accurate records, customer services and compliance with their reporting obligations. The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group are also dependent on third-party providers of administration and IT services and other back-office functions. In addition, even though back-up and recovery systems and contingency plans are in place and legacy removal and upgrading (quality improvement) of their systems are in progress to update systems and infrastructure, it is still possible, even though the Group has not previously experienced it to a material degree, that interruptions, failures with conversions, failures or breaches in security of these processes and systems will occur and, if they do occur, that they may not be adequately addressed.

Further, the Group and Codan Denmark are and, following completion of the Acquisition, the Enlarged Group will be dependent on valid and complete data for a number of purposes, including calculation of underwriting risks. If the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group fail to gather, store and utilise data, the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group may not be able to calculate, report or publish (among others) such risks. None- or miscalculation of such risks may have a negative impact on the Group's, Codan Denmark's or, following completion of the Acquisition, the Enlarged Group's financial position.

Poor data quality, including mismanagement of data, may lead to non-decisive management decisions due to poor or lack of management information relating to both data quality and data analysis. Similarly, it may lead to business inefficiency, complexity and overspend on compensating and fixing errors due to improper data governance.

Any interruption in the Group's or Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's ability to rely on its internal or outsourced IT services or deterioration in the performance of these services could impair the timing and quality of the Enlarged Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the Enlarged Group's brands, reputation and have a material adverse effect on its cash flows, business, financial condition, results of operations and prospects.

The Group generally considers the risk of cyber-attacks and information security weaknesses as high in Denmark, but the Group has not historically experienced any of such. Given the industry the Group operates in and its previous experience, Management assesses the probability of falling victim to major cyber-attacks as medium. However, failure in the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's own or outsourced information technology systems, including as a result of cybercrime or information security breaches, and/or poor data quality, may lead to a breach of regulations and contractual obligations and have a material adverse effect on their reputation, cash flows, business, financial condition, solvency, results of

operations and prospects. However, if such event occurs, it may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.6 Cyber-crime has the potential to significantly compromise the confidentiality, integrity and availability of information systems and business data, and the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not be able to protect itself against threats hereof.

As providers of non-life insurance, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are dependent on the possession of a large amount of customer information and data, including usernames, administrative codes and personal details. The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not be able to fully protect themselves against threats of cyber-crime and may incur substantial losses if their information systems are compromised.

The scope of cyber-attacks has in recent years developed such that cyber-attacks now occur on a frequent basis and the risk of being subject to cyber-attacks are high. While the vast majority of these attacks do not reach a level of sophistication that could pose a threat to the Group or Codan Denmark, and, following completion of the Acquisition, the Enlarged Group, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not be able to stop cyber-attacks despite efforts to continually monitor and assess their security organisation in terms of resources and service offerings. Cyber risk exposure may also increase as a result of complications stemming from the migration of data from Codan Denmark onto the Group IT infrastructure. Disruptive cyber-attacks could result in temporary shut-down of IT-systems and result in substantial losses. For the integration process between the Group and Codan Denmark, the Enlarged Group will be subject to increased cyber risks due to the number of changes when migrating platforms and the many human changes in a business merger.

There can be no assurance that IT security incidents or breaches will not occur in the future, or that future security incidents, breaches and other issues will not have a material impact on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's business or that their procedures will be sufficient to address such future IT security incidents, breaches and other issues. Due to the current Russian-Ukrainian conflict, the Management assesses that there is an elevated risk of cyber risks materialising either directly or indirectly. Further, cyber risks are exacerbated by the age and complexity of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's technology and network architecture. The occurrence of any cyber threats, such as the theft or unauthorised use or publication of their confidential information or other proprietary business information as a result of an IT security incident, could expose them to liability, adversely affect their competitive position and reputation, and reduce marketplace acceptance of their insurance products, whether or not the incident is ultimately determined to be their fault. Consequently, if the Group's, Codan Denmark's or, following completion of the Acquisition, the Enlarged Group's IT systems are compromised, this could have a material adverse effect on their business, financial conditions, results of operations and prospects.

Accordingly, cyber-crime has the potential to significantly compromise the confidentiality, integrity and availability of information systems and business data, and the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not be able to protect itself against

threats hereof. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.7 The Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's underwriting assumptions and pricing may accept excessive risks, misprice the risks that they assume and inadequately reflect risk exposure or cover claims, including due to an inadequate analysis of the underwriting risks, all of which could result in significant underwriting losses.

The Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's results will depend to a significant extent on whether their claims experience is consistent with the assumptions they use in underwriting, setting the prices for their products and establishing the liabilities for their obligations for future claims. To the extent that their actual claims experience is less favourable than the underlying assumptions they use in establishing such liabilities, they could be required to increase the reserves made for their liabilities, which could result in losses.

Due to the nature of the risks the Group and Codan Denmark incur and of the risks the Enlarged Group, following completion of the Acquisition, will incur in underwriting insurance, they cannot determine precisely the amounts that they will ultimately pay to meet such liabilities covered by the insurance policies written. Their respective claims reserves may prove to be inadequate to cover the actual claims, particularly when payments of claims may not occur until well into the future. The Group and Codan Denmark maintain and, following completion of the Acquisition, the Enlarged Group will maintain claims reserves to cover their estimated ultimate liability for claims and claims adjustment expenses. Such reserves are maintained also for claims which are estimated to be made but have not been made yet (so-called incurred but not reported (IBNR) claims). Accordingly, claims reserves represent estimates of the ultimate cost, including related expenses, to bring all pending and incurred but not reported claims to final settlement. These estimates are based on data and actuarial and statistical projections and assumptions. The estimates are also based on other variable factors, including changes in the legal and regulatory environment and general economic conditions. Recently, there have been increased inflation in Denmark and Europe resulting in increased costs and delivery time for building material and expenses related to worksmen etc. increasing the claims expenses. Such increase in inflation, costs and expenses may potentially necessitate increased premiums or alternatively decreased revenue for the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group.

Further, the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group are dependent on data and internal mathematical models which are complex and increasingly make use of sophisticated computational tools to set claims reserves and price their products. Should these data or models not be accurate, or should the implementation of these models be erroneous, there is a risk that the pricing of products or the reserving for future claims payments may be incorrect for a period.

Following completion of the Acquisition, the Enlarged Group's earnings will depend significantly upon the extent to which its actual claims experience is consistent with the projections and the assumptions it uses in setting claims reserves and subsequent premium levels. In addition, any changes in actuarial assumptions may lead to changes in the level of regulatory capital required.

Changes in the claims experiences and actuarial assumptions or other variable factors, including changes in legislation, could result in claims in excess of the Group's, Codan Denmark's or, following completion of the Acquisition, the Enlarged Group's claims reserves. Significant negative developments may require them to increase their reserves with a corresponding reduction of their net income in the period in which the deficiency is identified. For long-tail claims which carry a long settlement period and include mainly motor insurance, personal accident, disease, workers' compensation and child insurance, it has been necessary for the Group and Codan Denmark, and may, following completion of the Acquisition, continue to be necessary for the Enlarged Group, to revise estimated potential claims exposure and, therefore, related claims reserves. Macroeconomic conditions can also impact estimates for claims reserves. The Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's underwriting assumptions and pricing may accept excessive risks, misprice the risks that they assume and inadequately reflect risk exposure or cover claims due to falling interest rates. Consequently, actual claims and related expenses paid may differ from estimates reflected in the claims reserves in the financial statements, although prices may be adjusted to minimise any differences. To the extent the Enlarged Group's current claims reserves are insufficient to cover actual claims, it would have to increase its claims reserves and incur a corresponding charge to its earnings. In addition, if the Enlarged Group's claims reserves would be excessive because of an over-estimation of risk, it may set premiums at levels too high for it to be able to compete effectively, which may result in a loss of customers and premium income and could have a material adverse effect on the Enlarged Group's future financial condition, results of operations and cash flows.

Parts of Codan Denmark's commercial segment business are, by the nature of the risks, exposed to low frequency high severity claims that may take time to emerge. This is particularly the case for some aspects of "technical lines". Recent experience has seen higher large losses than previous experience would suggest. The Enlarged Group is dependent on retaining its employees with contact to tech line suppliers and customers. If, such employees are not retained, the Enlarged Group may not be able to fully serve its customers or attract new customers, which may affect the cash flow, business and result of operation.

Accordingly, although the Issuer considers the probability of this risk materialising less likely, underwriting assumptions and pricing may accept excessive risks, misprice the risks that they assume and inadequately reflect risk exposure or cover claims, including due to an inadequate analysis of the underwriting risks, all of which, if materialised, may result in significant underwriting losses. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.8 The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may be exposed to failures in underwriting, operating controls or risk management systems that could increase claims incidence and force premiums to be raised or cause claims reserves to be insufficient or have other material adverse effects on their business.

In case of any mismanagement, fraud or failure to satisfy fiduciary responsibilities, to comply with underwriting guidelines and authorisation limits, to comply with applicable anti-money laundering and other similar rules and requirements, the negative publicity resulting from these activities or the accusation by a third party of such activities, could have a material adverse effect on the Group's

and on Codan Denmark's businesses, and following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. If the Enlarged Group's underwriting guidelines or internal controls are ineffective or if its employees do not properly follow those guidelines, the Enlarged Group may not have proper reserves for claims attributable to the relevant product line, it may not be able to adjust its prices accordingly and/or its risk appetite may be incorrectly set. For example, the Group and Codan Denmark may have agreed to provide insurance cover or pay out an insurance amount due to a human error but where the error has not been reported internally to the management. The Enlarged Group may be at risk both from customers who misrepresent or fail to provide full disclosure in relation to the risk against which they are seeking cover before such cover is purchased and from employees who undertake, or fail to follow procedures designed to prevent, fraudulent activities.

When concluding major insurance policies, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group estimates the expected maximum loss ("EML") that may be made under the insurance policy. The EML is protected by reinsurance. If the EML exceeds the respective Reinsurance Treaty limit, facultative reinsurance is taken out on the insurance policy in question. A substantial error in the assessment of the EML may accordingly imply that the actual damage becomes greater than the assessed EML. In these cases, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group itself will retain the part of the damage that exceeds the reinsurance cover. Similarly, if the reinsurance cover is taken out later than taking on the insurance risk, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group bears the insurance risk until reinsurance has been taken out. An insurance event in this period will result in a loss for the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, which is not, or is not fully, covered by reinsurance. Any such, or similar, events can, though the Group considers the risk of such events as less likely, have a significant negative impact on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's business, operating profit, financial position and future prospects.

Similarly, the Group and Codan Denmark uses, and, following completion of the Acquisition, the Enlarged Group will use, derivatives to hedge against certain market risks e.g., interest rate risk, inflation risk and foreign exchange risk. The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group will be, dependent on third parties for the daily calculation of the market values of its derivative collateral under such derivative agreements. If the use of derivatives is inadequate or ineffective or if these third parties (mostly large banks) miscalculate the collateral required and the counterparty fails to fulfil its obligations under the derivative, though the Group considers the risk of such events as less likely, it could result in unexpected losses, which could have a material adverse effect on the cash flows, business, financial condition, results of operations and prospects of the Group and, following completion of the Acquisition, the Enlarged Group. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

- 2.9 Any decrease in the availability and amount of reinsurance, increases in the cost of reinsurance and/or the inability or refusal of reinsurers to meet their financial obligations could materially adversely affect the results of operations and financial position of the**

Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group.

An important element of the Group's and Codan Denmark's, and, following completion of the Acquisition, the Enlarged Group's risk management strategy is to purchase reinsurance, thereby transferring parts of the risk they underwrite to reinsurers. Under a reinsurance contract, the assuming reinsurer becomes liable to the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group to the extent of the risk ceded although the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group remains liable to the insured as the insurers.

The Group has a reinsurance programme in place which ensures that a single loss occurrence or a random accumulation of larger claims do not result in an unacceptable loss of capital relative to the Group's risk appetite.

The Group's reinsurance programme provides both a large and a wide coverage. The programme consists of 7 coverages covering, among others, claims related to catastrophe, frequency (such as fire, windstorms and rainfall), workers' compensation, personal accidental, liability, travel and cyber. The largest obtained reinsurance coverage in a programme is the catastrophe programme covering up to DKK 4.3 billion with a retention of DKK 75 million.

In addition to the above, the Group uses facultative coverage of risks exceeding the reinsurance contracts' capacity and/or if the conditions exceed the reinsurance contracts' coverage. Reinsurance supplemented by facultative coverage covers fire claims with retention of DKK 30 million, while personal injury on accident and workers' compensation claims are covered with retention of DKK 20 million.

From 1 July 2019, the risk of a terrorist attack is covered under a state terrorism insurance scheme, comprising claims related to attacks involving nuclear, biological or chemical agents. Alm. Brand Forsikring A/S therefore no longer covers these risks, but still covers claims related to conventional terrorist attacks, which are also covered under the company's catastrophe reinsurance programme.

For 2022 the reinsurance programme for Codan Denmark comprises of cover for all major lines of business from excess of loss (XOL) per risk covers for property and engineering with a retention of DKK 75 million, over per risk/per event covers for renewable energy with a retention of EUR 10 million and a catastrophe programme starting at DKK 75 million losses and covering up to DKK 3 billion.

The retention for personal accident and workers' compensation for the Group is DKK 100 million, whereas the casualty exposures are covered after DKK 25 million.

Facultative protection will be bought should capacity over and above the treaty capacity be needed or if the cover granted on the policy is broader than the one in the treaties.

Although reinsurance does not discharge the Group or Codan Denmark and, following completion of the Acquisition, will not discharge the Enlarged Group from its primary obligation to pay under an insurance policy for losses incurred, reinsurance will make the reinsurer liable for the reinsured

portion of the risks. Consequently, the Enlarged Group will be subject to credit risk with respect to its current and future reinsurers. The insolvency of any reinsurers, their inability or refusal to pay claims under the terms of any of their agreements with the Enlarged Group or any uncertainty or dispute regarding the interpretation thereof could have a material adverse effect on the Enlarged Group's financial condition and/or results of operations.

There is also a possibility that the Enlarged Group may be unable to renew reinsurance agreements at rates equivalent to those of its existing cover and there is the possibility that cover may not be available at all. Reinsurance may also be diminished or removed altogether.

Purchase of reinsurance and the price for reinsurance is to some extent dependent on personal relations and the reinsurers knowledge of the insurance company in question. Accordingly, the Group, Codan Denmark and, following completion of the Acquisition the Enlarged Group is dependent on retaining its employees with contact to reinsurers. If all or most of such employees cease to be employees of the Group, Codan Denmark and, following completion of the Acquisition the Enlarged Group, the Group, Codan Denmark and, following completion of the Acquisition the Enlarged Group risks not being able to purchase reinsurance or that the price of reinsurance increases.

If there is a failure in the process of taking out reinsurance, including as a consequence of a human or operational failure, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group may not have taken out the reinsurance cover which is otherwise expected. In this case new or additional reinsurance may not be taken out to a sufficient level or may need to be taken out at a higher price, whereby the insurance risk is not sufficiently mitigated, or the Group may suffer a loss.

Reinsurance against communicable diseases, including pandemics, has limited availability and in the event of future pandemics, such reinsurance may cease to be available altogether. The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group therefore faces the risk that some aspects of its reinsurance cover may be more expensive or even unavailable in the market at all or for certain periods, which may have a corresponding adverse effect on the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group although it may accordingly reduce its direct underwriting for the cover in question thereby reducing risk exposure.

Although the Issuer sees a limited probability of these risks to materialise, increases in the cost of reinsurance and/or the inability or refusal of reinsurers to meet their financial obligations, if materialised, could materially adversely affect the results of operations and financial position of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.10 The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may experience unexpected delays or costs in connection with existing or future IT projects.

The Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group may experience, unexpected delays or costs because of their undertaking of large-scale information technology projects. For example, the Group is currently in the process of moving all its

systems to a cloud-only setup. Similarly, the integration of Codan Denmark's IT system into the Group's IT systems will entail substantial work efforts and imply risk of failures and break downs which may impact the possibilities of carrying out business and servicing customers. Also, the development of IT solutions to support the development of the partnerships requires substantial work efforts and implies substantial costs and risks, which may prove to be larger than anticipated.

The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group will from time to time be updating their IT systems. While these upgrades are planned and usual, there is an elevated probability of delays due to complications in their implementation especially due to the integration of Codan Denmark into the Group following completion of the Acquisition, resulting in delayed use of the systems and/or unexpected costs for the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, which may negatively impact their operations and result in increased costs or losses. In addition, it could impair the timing and quality of the Enlarged Group's services to its customers and result in loss of customers, inefficient or detrimental transaction processing and regulatory non-compliance, all of which could also damage the Enlarged Group's brands, reputation and have a material adverse effect on its cash flows, business, financial condition, results of operations and prospects.

2.11 Integrating Codan Denmark into the Group will increase the complexity of the Group due to the increased size and the integration of Codan Denmark's processes, products and systems, whereby the risks or failures, errors and mistakes increases potentially resulting in costs or losses.

Following completion of the Acquisition, Codan Denmark's processes, products and systems will be integrated into the Group's business thus creating the Enlarged Group. This may result in more complex structures, processes, systems and products compared to before the Acquisition including in some case more complex products than previously provided by the Group.

Increased complexity generally increases the risks of failures or mismanagement whereby the risks of losses or loss of revenue increases.

In addition, the Enlarged Group will, following completion of the Acquisition, be substantially larger than the Group prior to completion of the Acquisition. The increase in size may reduce the management's overview of and insight into the business of the Enlarged Group.

Though both the Group and Codan Denmark are Danish insurance companies, there may be differences in the company culture and the core values of the two companies. Integration and alignment of the company culture and core values in the Enlarged Group may take several years. Until then, differences in culture and core values may increase the risks of failures and mismanagement due to misunderstandings, unfunctional processes or ineffectiveness. Further, if integration is delayed or otherwise not successful, the Enlarged Group is unlikely to achieve the anticipated synergies from the Acquisition. Such failures and mismanagement may adversely affect the results of the operations and the financial position of the Enlarged Group.

Similarly, the carve-out of Alm. Brand Liv og Pension from the Group as a consequence of the Divestment requires resources and implies a risk of failures in the operations, IT systems and processes of the Group and/or, following completion of the Acquisition, the Enlarged Group, which

may adversely affect the results of the operations and the financial position of the Enlarged Group which in turn may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.12 If the Enlarged Group is unable to successfully implement its strategic initiatives, or if the strategic initiatives do not yield the anticipated benefits, this may have a material adverse effect on the Enlarged Group's cash flows, business, financial condition, results of operations and prospects and the projected financial information included in this document may differ materially from the Enlarged Group's actual results.

The management and employees of the Enlarged Group will execute on its strategic initiatives in order to realise anticipated synergies from the Acquisition. These synergies depend to a large extent on the successful integration of Codan Denmark into the Enlarged Group, see also "Risk Factors", 1.6 – "The Enlarged Group may fail to realise all or part of the expected benefits and synergies of the Acquisition."

There can be no assurance that the management will be able to implement such initiatives or that it can do so to the extent necessary or within the required time frame as issues may arise and integration may be more complicated than assumed at the outset. Completion of the Enlarged Group's strategic initiatives is furthermore subject to a number of external factors, including market conditions and the Enlarged Group's ability to attract new and retain existing customers, see also "Risk Factors", 2.3 – "The Group's and Codan Denmark's prospects depend and, following completion of the Acquisition, the Enlarged Group's prospects will depend on customer retention and a continued increase in demand for the products and services offered, the ability to focus on new customer segments, roll-out of adjacent product categories and the economic development in Denmark." As part of this, the Enlarged Group risks losing customers and market shares if the Enlarged Group is not able to execute on a strong customer retention strategy. Similarly, implementation of a strategy may imply a change in risk profile, underwriting results, capital needs and internal governance requirements which may imply extended risks. If the above-mentioned risks materialise, the Group may not be able to, among others:

- leverage investments on a bigger scale leading to more attractive return on investment;
- pursue ambitious research and development projects leveraging costs on a bigger scale with shorter payback time;
- utilize a larger pool of data to improve its product offering and lower potential claims;
- improve talent attraction leading to smarter solutions and better services;
- unify stakeholder objectives through its improved platform, leveraging economies of scale to improve customer solutions and services; and
- over time generate net revenue synergies from cross-selling and other initiatives.

As part of the Divestment, Alm. Brand Forsikring A/S has given a number of customary warranties to the buyer of Alm. Brand Liv og Pension A/S. Even though these warranties to a large extent are

covered by a warranty and indemnity insurance taken out by the buyer, Alm. Brand Forsikring A/S may in exceptional circumstances be liable for damages towards the buyer.

Accordingly, failure by management to complete the strategic initiatives to the necessary extent may have a material adverse impact on the Enlarged Group's cash flows, business, financial condition, results of operations and prospects which in turn may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.13 The Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are vulnerable to adverse market perception arising as a result of reputational damage, especially as they operate in a highly regulated industry.

The foundation for the Group's and Codan Denmark's business is a high level of integrity and trust with their customers and stakeholders. Any mismanagement, fraud or failure to satisfy fiduciary responsibilities, or any negative publicity resulting from their activities, the activities of any third parties to whom the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group have partnerships with or have outsourced any services to, or any accusation by third parties in relation to their activities (in each case, whether well founded or not) associated with the Group, Codan Denmark, or, following completion of the Acquisition, the Enlarged Group or the industry generally, e.g. possible discrimination against minorities or any non-compliance with EU sanctions regulations and the freezing of funds, could have an adverse effect on the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects, including:

- reducing public confidence in the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group;
- decreasing their ability to retain current policyholders;
- increasing the likelihood that the Danish FSA or other regulators will not approve acquisitions in cases of very severe violations or breaches of the financial regulation and other applicable regulatory requirements or will subject the Enlarged Group to closer scrutiny than would otherwise be the case;
- increasing costs of borrowing, including in debt capital markets transactions;
- adversely affecting the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's ability to obtain reinsurance or to obtain reasonable pricing on reinsurance;
- reducing the retention of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's retention of their employees; and
- decreasing customers' willingness to acquire particular products.

There have been a number of highly publicised cases involving fraud or other misconduct by employees in the financial services industry in recent years.

It is not always possible to deter or prevent employee misconduct and the precautions the Group and Codan Denmark take to prevent and detect this activity may not be effective in all cases. They therefore run the risk that employee misconduct could occur, with possible adverse effects on them as set out.

Any of the above could have an adverse effect on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

On 7 July 2021 the Danish FSA reported the Group and Codan Denmark, together with a number of other Danish insurance companies, to the Danish police for not providing insurance cover for certain treatments related to pregnancy, and the Group and Codan Denmark were charged in October 2021. In January 2022, Alm. Brand accepted a fine of DKK 450,000 and Codan accepted a fine of DKK 600,000.

2.14 Market risk may materially adversely affect the value of the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's investments in their equity portfolios, adversely impact their financial position and results of operations, and result in volatility in their results.

The Group and Codan Denmark invest and, following completion of the Acquisition, the Enlarged Group will invest a portion of its assets in equities in accordance with the investment policies and guidelines. Equities are generally subject to greater volatility and hence more risk compared to fixed income securities. The Group's investment assets are marked to market on daily basis and its respective investment portfolios are therefore affected by fluctuations in both equity and bond prices. Factors beyond the Groups control, such as general economic conditions, stock market conditions or other conditions, may materially adversely affect the market value and investment return on the Group's investment portfolio.

The Group's fixed income portfolio amounted to DKK 20,813 million as of 31 December 2021 corresponding to 93.5% of the total investment assets. As stated in Part I, section 7 - "Risk management", a spread widening of 1 percentage point as of 31 December 2021 would result in loss of DKK 234 million other factors being equal.

As of 31 December 2021, the Group's equity investment of its assets, which amounted to DKK 405,8 million corresponding to 4,2% of its portfolio, were placed in equities and less than 0,15% of the total assets were placed in unlisted equities, primarily in the form of strategic sector equities. Sector equities are held for the purpose of supporting the insurance activities. Codan Denmark's equity investment assets as of 31 December 2021 amounted to DKK 292 million, or 2.6% of its portfolio.

The Management considers it likely that there will be further declines in the markets where the Group has invested its assets given the current international political- and economic situation including the current Russian-Ukrainian conflict. This may materially adversely impact the Enlarged Group's results of operations. Volatility in the prices of equity securities will also lead to significant

changes in both the valuation of the portfolio as well as investment returns on the portfolio from period to period.

As of Q4 2020, the Group outsourced a number of its asset management activities to an external asset manager. Failure by the external asset manager to properly perform and monitor investment management activities and/or failure by the Group to properly monitor the external asset manager's asset management activities on behalf of the Group could lead to, among others, poor investment decisions and poor asset allocation, the wrong investments being bought or sold or the incorrect monitoring of exposures, which may lead to an increased market risk. Similarly, the Group's and, following completion of the Acquisition, the Enlarged Group's market risks may increase whereby the Group and, following completion of the Acquisition, the Enlarged Group is exposed to increased risks of losses due to volatility in prices of securities and other financial instruments. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.15 Foreign exchange rate fluctuations may adversely impact the value of the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's investments, adversely impact their financial position and results of operations and result in volatility in their results.

The Group prepares its consolidated financial statements in Danish kroner. Fluctuations in currency exchange rates impact the value of the Group's investments and the return on its investments in Danish kroner. The impact of these fluctuations in currency exchange rates is mitigated by the fact that a significant portion of the Group's and Codan Denmark's investment portfolios are denominated in Euro, to which the Danish kroner is pegged.

It is the Group's current policy to have a very limited exchange rate risk and are accordingly hedging such risks. Accordingly, the Issuer considers the probability of these risks materialising as limited. Nonetheless, there is a risk of failures in the processes of hedging these risks whereby the risks are not mitigated to a sufficient level, however, the Group has not historically experienced material failures in these processes. If such risks materialise, it may materially adversely affect the financial position and results of operations of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group.

Codan Denmark write some insurance business in other currencies than DKK. In order to limit the impact from fluctuation in currency exchange rates Codan Denmark seek to match insurance liabilities with asset per currency either by holding investment assets in the designated insurance liability currencies or by using foreign exchange hedging. However, there may be failures in the processes of hedging these risks whereby the risks are not mitigated to a sufficient level. If such risks materialise, it may adversely affect the financial condition of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.16 Changes in interest rates may materially adversely affect the value of the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's fixed income investment portfolio and investment returns on the fixed income portfolio, and accordingly adversely impact their financial position and results of operations, and result in volatility in their results.

Investment returns are an important part of the Group's and Codan Denmark's overall profitability. Accordingly, fluctuations in long- or short-term interest rates may materially adversely affect their and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects, and particularly the provisions and value of and investment income with respect to the fixed income portfolios. The Group's investment assets are marked to market on a daily basis and are therefore affected by interest rate fluctuations except unlisted investment assets. In addition, investment income will be impacted; in particular, decreasing during sustained periods of lower interest rates, as higher-yielding fixed income securities are called, mature or sold and the proceeds are reinvested at lower rates.

The Group and Codan Denmark are and, following the Acquisition the Enlarged Group, will be generally required to discount all of its claims reserves using market-based interest rates. The best estimate of the liabilities are calculated by discounting future cash-flows using the risk-free rate. On top of this risk-free rate, the Danish FSA has allowed the Group to use a Volatility Adjustment (VA) in accordance with Solvency II. This Volatility Adjustment (VA) aims to dampen irrational market developments that would result in unjustified credit spreads. It is expected that the Enlarged Group will use a VA liability discounting curve.

Depending on the nature of the claims covered by the claims reserves (whether such claims are settled quickly or over a long period of time), interest rate fluctuations will have a lesser or greater impact on the value of the Group's, Codan Denmark's and following the Acquisition, the Enlarged Group's, liabilities. A general increase in interest rates will lead to a decrease in the Group's, Codan Denmark's and, following the Acquisition, the Enlarged Group's claims reserves but at the same time lead to a decrease in the value of its bond portfolio. Given that a perfect match is not possible, there is a moderate risk that such offsetting movements are not necessarily equal.

As of 31 December 2021, the Group's claims reserve according to the IFRS and Solvency II amounted to DKK 5,968 million gross of reinsurance and DKK 5,632 million net of reinsurance. If interest rates for all maturities had been 100 basis points higher on that date, the discounting effect would have been higher and the Group's claims provisions would have been DKK 256 million lower due to discounting and the impact of interest-bearing securities would be DKK 140 million lower, leading to a net impact of DKK 116 million.

As of 31 December 2021, Codan Denmark's claims reserves according to Solvency II amounted to DKK 8,816 million gross of reinsurance and DKK 8,339 million net of reinsurance. If interest rates for all maturities had been 100 basis points higher on that date, the discounting effect would have been higher and Codan Denmark's claims and premium provisions would have been DKK 410 million lower due to Solvency II discounting and the impact of interest-bearing securities would be DKK 422 million lower, leading to a net impact of DKK -12 million.

A mismatch resulting from changes in value described above is likely to result in fluctuations in the Group's, Codan Denmark's and, following the Acquisition, the Enlarged Group's earnings. It is not always possible or, in certain cases, desirable, for the Group, Codan Denmark or, following the Acquisition, the Enlarged Group to match these cash flows and, as a result, such a mismatch will normally exist and interest rate fluctuations will therefore impact its financial results, and such impact could be material. As a result of fluctuations in interest rates, its results of operations could be more volatile.

The Issuer assesses that there is a moderate risk of changes in interest rates adversely affecting the cash flows, business, financial condition, results of operations and prospects of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.17 COVID-19 has materially impacted and may potentially continue to impact the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group. This may negatively affect the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects.

The COVID-19 pandemic and related impacts caused a recession in the EU and elsewhere. The decline in gross domestic product (GDP) in the EU led to and may potentially again lead to lower consumer spending and increased financial market volatility. In addition, this may lead to reduced returns on and loss of value of pensions and other investments, which may reduce consumer confidence and levels of disposable income. During certain periods, COVID-19 also resulted in reduced access to credit markets. Any such consequences may lead to decreased demand for certain limited products and services of the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group. The impact of COVID-19 on working practices, such as remote working rather than physical meetings, might also have an adverse effect on the integration of Codan Denmark into the Group.

The long-term impacts of the COVID-19 pandemic remain unclear. For example, additional re-surges of COVID-19 cases and new variants throughout Q4 2020 and during 2021 have led to further national or local lockdowns or other restrictive measures being reinstated throughout Europe and significant social distancing and other protective measures may remain in place in 2022 and beyond. This could result in even more severe macroeconomic impacts with gross domestic product (GDP) and consumer spending suffering further reductions. In particular, emerging strains of COVID-19 with materially higher transmission rates have led to further national lockdowns and restrictive measures globally. COVID-19 vaccines may not be sufficiently effective, particularly against the emerging strains, and a return to normality may take time or never occur. As a result, the Enlarged Group could experience changed customer behaviour potentially leading to persistently increased competition and lower margins on new insurance policies. Future developments around COVID-19 may impact the global economy and/or financial markets as well as customer behaviour including claims development and demand for insurance products, e.g., decreased demand for travel insurance, all of which may negatively affect the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.18 The Group and Codan Denmark are and, following completion of the Acquisition, the Enlarged Group will be subject to the GDPR. Failure to comply with the GDPR could have an adverse effect on their reputation, cash flows, results of operations and prospects.

As insurance companies, the Group and Codan Denmark are, and, following completion of the Acquisition, the Enlarged Group will be, processing and storing a large amount of personal data, including sensitive personal data. Due to the commitment to provide and expand the digital offering

to customers together with a simplification and automation of the processes and customer interactions, the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group are likely in the future to be processing even more extensive personal data. In addition, the Group and Codan Denmark are, and, following completion of the Acquisition, the Enlarged Group will be, using outsourcing providers which may also process such personal data including in countries outside the European Union or the European Economic Area.

Accordingly, each of the Group and Codan Denmark, and, following completion of the Acquisition, the Enlarged Group will be, dependent upon its, ability to comply with, among others, the GDPR, which may impose additional obligations, costs and risk upon the businesses of the Group, Codan Denmark, and, following completion of the Acquisition, the Enlarged Group. Penalties under the GDPR may amount to a maximum of 4% of annual global revenue, in the event of any non-compliance with the data protection regulations. Under the GDPR, companies are required to notify local data protection authorities, such as the Danish Data Protection Agency, in the event of a data breach which may require the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, to communicate the data breach to the exposed customers and may lead to civil liability, fines and/or reputational damage.

Though the Group and Codan Denmark are continuously investing in compliance with the GDPR and have procedures in place to prevent GDPR breaches, such procedures have not always been, and may in the future not be, wholly effective. Accordingly, the Group and Codan Denmark are in the ordinary course of business reporting data breaches to the Danish Data Protection Agency, none of which, however, have resulted in fines from the Danish Data Protection Agency. The Group has identified a need to further strengthen internal procedures relating to GDPR. This work is currently being performed. Until completed, Management assesses that there is an elevated risk of insufficient internal procedures in relation to GDPR requirements.

The Group, Codan Denmark, and, following completion of the Acquisition, the Enlarged Group, may incur substantial expense in complying with obligations to be imposed by the Court of Justice of the European Union's interpretation of the GDPR. For example, as Codan Denmark makes use of, and the Enlarged Group is expected to, following completion of the Acquisition, make use of, certain data processors which entail third country transfer of personal data, including to the USA, Codan Denmark may incur expenses in complying with GDPR obligations regarding transfers of personal data to countries outside the European Union or the European Economic Area, including the United States as a consequence of the ruling from the Court of Justice of the European Union's case C-311/18 Data Protection Commissioner v Facebook Ireland Limited and Maximilian Schrems of 16 July 2020. Failure by the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group to comply with the GDPR could have an adverse effect on their reputation, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.19 The Group and Codan Denmark are, and, following completion of the Acquisition, the Enlarged Group will be, subject to extensive regulatory requirements as well as regulatory investigations. Failure to comply with such requirements, obtain, hold or renew licenses, permissions, authorisations or notifications, or changes to the legal and regulatory systems under which the Enlarged Group will operate, could have a material adverse

effect on its reputation, cash flows, business, financial condition, results of operations and prospects.

The Group and Codan Denmark are, and, following completion of the Acquisition, the Enlarged Group will be, subject to extensive governmental regulation as well as regulatory investigations by relevant governmental supervisory authorities. The Group and Codan Denmark depend and, following completion of the Acquisition, the Enlarged Group will depend upon their ability to obtain and maintain certain licenses, permissions, authorisations or notifications to conduct their business, hereunder their licenses as non-life insurers with the Danish FSA.

Applicable laws, regulations, sanctions, government approvals and policies, and/or the interpretation or enforcement thereof, may change at any time, which may adversely affect the Enlarged Group's cash flows, business, financial condition, results of operations and prospects. For example, legislative changes may affect the level of insurance compensation for past accident periods impacting the Group's and Codan Denmark's reserving risk. As another example, on 27 April 2021, the Danish Ministry of Industry, Business and Financial Affairs (Erhvervsministeriet), established a working group with the aim of analysing the impact of among others financial conglomerates on the competition in the financial services market and suggesting measures for how to increase such competition. The result of the analysis and the suggestions could, if subsequently adopted as applicable regulation, impact the Group's and Codan Denmark's strategic partnerships and, following completion of the Acquisition, the Enlarged Group's strategic partnerships, which could have a material adverse effect on the Group's, Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's reputation, cash flows, business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

The Enlarged Group will also be subject to corporate and tax rules. Changes to such rules could result in increased charges, financial loss, penalties, and reputational damage, which may have a material adverse effect on the Enlarged Group's financial condition and results of operations. For example, the Danish government has entered into an agreement with certain political parties in Denmark on imposing increased tax on financial institutions. According to the agreement, the intention is to generate a tax income for Denmark in the amount of DKK 1 billion in 2023 and DKK 1.26 billion in the following years. The Danish government expects to present a bill to the Danish parliament in this respect according to which the increased tax will be 3.2% of taxable income in 2023 and 4% of taxable income in the following years. Depending on the final act, if adopted by the Danish parliament, it may substantially increase the Enlarged Group's tax payments from 2023.

Particularly workers' compensation insurance is affected by legislative amendments and changed legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and socio-economic factors. Such factors tend to drive up the number of insurance-covered claims and average claims expenses. These external risk factors arise due to trends in society and are difficult to predict, thereby making it difficult to price health insurance risks correctly. Because workers' compensation insurance is of a long tail nature and because the legislative framework is more complicated, the potential impact of risk factors on the results of workers' compensation lines is greater than in personal accident lines. As these factors are outside the control of the Group's, Codan Denmark's and, following the completion of the Acquisition, the Enlarged Group's control, the company may not have priced the insurances at the right level. In

addition, due to potential changes in the relevant Danish legislation and the relatively long duration of the insurances, there is a risk that the pricing has not been set at the right level.

The Group and Codan Denmark use, and, following the completion of the Acquisition, the Enlarged Group will use, the VA liability discounting curve to discount the provisions. If the method to calculate the discount interest rate curve is changed by the competent authority, it may impact the value of the provisions negatively.

The Danish FSA conducts regular inspections on the Group and Codan Denmark. Depending on the findings of the Danish FSA during such inspections, the inspections may lead to fines, orders, reprimands or risk information. The conclusions and reactions from the inspections are published by both the Danish FSA and the company in question.

For example, the Danish FSA conducted an inspection of Alm. Brand Forsikring A/S' partial internal model used for calculating the company's solvency capital requirement in December 2017 and the conclusion from the inspection was published 21 August 2020. Though the Danish FSA found that the overall model contains a sufficient volatility, the Danish FSA found that volatility for a number of the covered industries may be underestimated, which may have consequences for the application of the model. Therefore, the company received a piece of risk information. Risk information served by the Danish FSA is a supervisory reaction applied by the Danish FSA in cases where applicable regulation has not been breached, but the Danish FSA finds certain circumstances to be of risk for future breaches or regulatory concern, including business models associated with risks or similar. The risk information has not impacted the calculations made under the partial internal model. Further, Alm. Brand Forsikring A/S received an order on including all existing risk in the calculation of the solvency capital requirement when making up the volume targets for calculating the premium risk. Finally, the Danish FSA found that the company treated two counterparties from the same group as two single-name exposures in its statement of counterparty risk. The company, similar to other Danish insurance companies, therefore received an order to treat counterparties from the same group as a single name exposure. The order was essentially implemented by Alm. Brand Forsikring A/S during the inspection and did not materially impact Alm. Brand Forsikring A/S' solvency capital requirement.

The Danish FSA initiated a routine inspection of Alm. Brand Forsikring A/S in April 2021. Based on the inspection, the Danish FSA issued the following orders to Alm. Brand Forsikring A/S in October 2021: (i) certain specific internal policies and guidelines shall be adopted in accordance with applicable governance requirements, (ii) the remuneration policy shall be updated to reflect Alm. Brand Forsikring A/S' pension policy and use of single bonuses below DKK 100,000, (iii) Alm. Brand Forsikring A/S' ORSA-report shall cover the entire strategic planning period, (iv) the effectiveness of the compliance function must be ensured, (v) two specific outsourcing agreements must be amended to fully comply with applicable outsourcing regulation, and (vi) the capital plan shall be updated to ensure it covers the risks which Alm. Brand Forsikring A/S may be exposed to in accordance with its strategy. The Danish FSA did not comment on central matters such as provisions, capital, solvency or investments. In February 2022, the Danish FSA confirmed that Alm. Brand Forsikring A/S has sufficiently implemented the orders.

On 7 July 2021 the Danish FSA reported the Group and Codan Denmark, together with a number of other Danish insurance companies, to the Danish police for not providing insurance cover for

certain treatments related to pregnancy, and the Group and Codan Denmark were charged in October 2021. In January 2022, Alm. Brand accepted a fine of DKK 450,000 and Codan accepted a fine of DKK 600,000.

Depending on the severity of regulatory findings and reactions as well as the publication of such reactions it may lead to reputational damage and financial losses for the Group, Codan Denmark and, following the completion of the Acquisition, the Enlarged Group. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.20 The Group and Codan Denmark are and, following completion of the Acquisition, the Enlarged Group will be, subject to competition regulation which may reduce its strategic manoeuvrability.

In addition to consumer protection measures imposed on the Group and Codan Denmark by financial services regulators, the companies are also subject to competition and consumer protection laws enforced in Denmark by the Danish Competition and Consumer Authority.

The Group is the third largest non-life insurer in Denmark with a market share of 8.5% and Codan Forsikring is the fourth largest non-life insurer in Denmark with a market share of 8.3%, both based on gross premium income in Q1 2021 according to the latest available statistics from the Danish industry organisation Forsikring & Pension. Accordingly, after completion of the Acquisition, the Enlarged Group is expected to be the second largest non-life insurer in Denmark with a market share of 16.8% (based on an addition of the Group's and Codan Forsikring's respective market shares in Q1 2021 based on gross premium income). It should be noted that the statistics from Forsikring & Pension considers Topdanmark A/S and IF Skadeforsikring (Filial af Skadeförsäkring AB (publ), Sverige) as separate entities despite some overlap in ultimate ownership.

Due to the market share which the Enlarged Group is expected to have following the completion of the Acquisition, there is a risk that competition laws or regulation may prevent or impose restrictions on the Enlarged Group's ability to engage in further acquisitions of non-life insurance companies or other businesses, which may have a material adverse effect on the Enlarged Group's ability to grow through further acquisitions and accordingly limit its strategic manoeuvrability.

2.21 If the Enlarged Group is unable to retain skilled employees and members of its senior management or attract and retain qualified skilled employees and members of senior management in the future, it may not be able to execute its business strategy.

The Enlarged Group will depend on the continued contributions of its senior management. The loss of one or more of the Enlarged Group's senior management members could adversely affect its business. Competition for senior management in the insurance industry is intense. Further, the rules and the Danish FSA's administrative practice concerning the assessment of the fitness and propriety (fit & proper) of senior management members under applicable Danish legislation have continuously been, and may continuously be, tightened. Qualified individuals are in high demand, and the Enlarged Group may incur significant costs to retain them. Further, the Enlarged Group may be unable to retain members of the Codan Denmark's management or skilled personnel following completion of the Acquisition.

Especially with regards to Codan Denmark's, and accordingly following completion of the Acquisition, the Enlarged Group's, business line "Tech Line", the potential inability of retaining the senior management may be detrimental to the continued operation of the business line.

The Enlarged Group's continued success will also depend on its ability to attract, motivate and retain highly competent managers and specialists, particularly with finance, IT, data analytics, underwriting and actuarial skills. Competition for personnel with such skills and proven ability is intense among insurance companies in Denmark. In particular, the Group has experienced that few highly specialised IT developers are job-seeking in Denmark. Accordingly, increased resources and measures are required to seek and attract such highly specialised employees. The Enlarged Group will also compete with other insurers and with financial services groups for skilled personnel, primarily on the basis of its reputation, financial position, remuneration policies and support services. Any inability of the Enlarged Group to attract and retain highly skilled personnel and to motivate and train its staff effectively could adversely affect its competitive position, and even though the Issuer considers this risk to be relatively low, this may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

2.22 The Group and Codan Denmark are and, following completion of the Acquisition, the Enlarged Group will be exposed to the risk of mis-selling claims from customers.

The Group's and Codan Denmark's products are, and, following completion of the Acquisition, the Enlarged Group's products will be exposed to mis-selling claims. Mis-selling claims are claims from customers who believe that they received misleading advice from the Group, Codan Denmark or, following completion of the Acquisition, the Enlarged Group's sales personnel or insurance intermediaries' advisers as to which products were most appropriate for the customers, or that the terms and conditions of the products, the nature of the products or the circumstances under which the products were sold were misrepresented to the customers.

For a variety of reasons, including the role of brokers and the standardisation of insurance products in the Danish market, the Group and Codan Denmark have historically faced a limited number of mis-selling claims and the Management generally considers the likelihood of material mis-selling claims as low but there can be no assurance as to the magnitude or consequences of future mis-selling claims. For example, on 7 July 2021 the Danish FSA reported the Group and Codan Denmark, together with a number of other Danish insurance companies, to the Danish police for not providing insurance cover for certain treatments related to pregnancy, and the Group and Codan Denmark were charged in October 2021. In January 2022, Alm. Brand accepted a fine of DKK 450,000 and Codan accepted a fine of DKK 600,000.

Negative publicity associated with any sales practices, any compensation payable in respect of any such issues and regulatory changes resulting from such issues, may have an adverse effect on each of the Group's, Codan Denmark's, and, following completion of the Acquisition, the Enlarged Group's business, financial condition, results of operations and prospects. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

3. RISKS RELATING TO THE FINANCIAL POSITION OF THE GROUP AND CODAN DENMARK AND, FOLLOWING COMPLETION OF THE ACQUISITION, THE ENLARGED GROUP

3.1 The Group and Codan Denmark are exposed to credit and counterparty risk in relation to financial institutions, including reinsurers. Deteriorations in the financial soundness of financial institutions may have a material adverse effect on their and, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects.

The Group's primary counterparty risks are related to the Group's cash holdings in financial institutions, reinsurance contracts and market risk management. The counterparty risk on reinsurance contracts arises in connection with large claims exceeding the Group's retention threshold. In the event of a very large claim, the Group will experience a large exposure to a number of reinsurance companies which are as a minimum rated A- (A minus) according to Standard & Poor's or A.M. Best. Further, the Group uses reinsurance contracts with other insurance companies to mitigate single risk exposures and cash holdings in connection with the daily operations of the Group. The Group uses derivatives to manage market risks such as interest rate risks, inflation risks and currency risk. In the event of a full utilisation of the Group's property catastrophe excess of the loss reinsurance programme, the Group's exposure towards reinsurers will amount to approximately DKK 4,200 million, of which the Group's exposure towards its three largest reinsurers will amount to approximately DKK 1,500 million in the aggregate. Similarly, in the event of a full utilisation of Codan Denmark's property catastrophe excess of the loss reinsurance programme, Codan Denmark's exposure towards reinsurers will amount to approximately DKK 3,000 million of which the exposure towards its three largest reinsurers will amount to approximately DKK 2,100 million in the aggregate.

Accordingly, the Group and Codan Denmark are and, following completion of the Acquisition, the Enlarged Group will be dependent of other financial institutions as a result of trading, counterparty and other relationships in the global financial system. Financial institutions with whom the Group and Codan Denmark conduct business act as counterparties to them in such capacities as borrowers, issuers of securities, customers, banks, reinsurance companies, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses, brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other financial intermediaries. In any of these capacities, a financial institution acting as a counterparty may not perform its obligations due to, among other things, bankruptcy, lack of liquidity, market downturns or operational failures, and the collateral or security it provides may prove inadequate to cover its obligations at the time of the default. The risk may be enhanced in an economic downturn.

The interdependence of financial institutions means that the failure of a sufficiently large and influential financial institution due to disruptions in the financial markets could materially disrupt securities markets or clearance and settlement systems in the markets. This could cause severe market declines or volatility. Such a failure could also lead to a chain of defaults by counterparties that could materially adversely affect the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group. This risk, known as "systemic risk", could adversely impact future product sales as a result of reduced confidence in the insurance industry. It could also reduce results because of market declines and write-downs of assets and claims on third parties.

In such situations, or in other situations, the Enlarged Group may furthermore not be able to adequately manage exposures through ordinary use of derivatives, or appropriate derivative products may not be available on favourable terms, or at all.

The Group generally limits counterparty risks in connection with derivative agreements by entering into margin agreements and netting agreements with the counterparties and by using central counterparties (CCPs), especially London Clearing House, for clearing obligations under derivative agreements. However, the Group is exposed to counterparty risks with regards to bilateral derivative agreements, which are not cleared through a central counter party (CCP), or alternatively deposits in banks. Margin agreements ensure that collateral is provided when the exposure exceeds a certain level. Netting is described in the International Securities and Derivatives Association (ISDA) master agreements and implies that gains and losses on derivative financial instruments may be offset if a counterparty breaches its obligations. Agreements on derivative financial instruments of a longer-term nature can only be concluded if they also have a netting agreement with collateral provided. If deemed expedient, deviations from this general rule may in rare circumstances be accepted subject to management consent.

Codan Denmark is exposed to counterparty risks with regards to bilateral derivative agreements, which are not cleared through a central counter party (CCP), and bank deposits. For bilateral derivative arrangements, collateral security margin agreements ensure that cash collateral is provided when the exposure exceeds DKK 2.5 million. If deemed expedient, deviations from this general rule may in rare circumstances be accepted subject to management consent. On 31 December 2021, Codan Denmark had the following derivatives exposures: short SEK against DKK amounting to DKK 111 million; short EUR against DKK amounting to DKK 0.1 million; a hedge of the net balance sheet foreign exchange exposure; long USD against DKK amounting to DKK 4.6 million.

Despite an A-rating for reinsurers and netting agreements, the credit and counterparty risk towards other financial institutions still remains eminent.

Despite the Issuer's assessment that the probability of these risks materialising is relatively low, if they do materialise, it may have a material adverse effect on the cash flows, business, financial condition, results of operations and prospects of the Group, Codan Denmark and, following completion of the Acquisition, the Enlarged Group, and even though the counterparty exposure for derivatives is deemed limited, this may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

3.2 Failure to maintain adequate capital could have a variety of negative regulatory and operational implications for the Group and Codan Denmark and, following completion of the Acquisition, the Enlarged Group including requiring additional capital in the future, which will hinge on the credit ratings of the Enlarged Group and may not be available or may only be available on unfavourable terms.

Insurance companies and insurance holding companies such as the Group and Codan Denmark are required to maintain a minimum level of own funds (also referred to as regulatory capital) in excess of the value of their liabilities to comply with a number of regulatory requirements relating to their (and their subsidiaries') solvency and reporting bases. Solvency requirements are governed by Solvency II and other legislative acts enacted on the basis of Solvency II. These regulatory

requirements apply to individual insurance subsidiaries on a standalone basis and in respect of the Group and Codan Denmark as a whole. The Group is also from time to time in dialogue with its regulator and legislator in relation to regulatory capital requirements. A part of this dialogue, especially when it is related to regulatory requirements applying to the entire insurance industry, is conducted through relevant industry organisations. The Group's and Codan Denmark's regulatory capital requirements have in the past both increased and decreased and may from time to time in the future increase and decrease for a number of reasons, including as a result of the discount rate set by regulators under Solvency II.

The Group's and Codan Denmark's capital position is also assessed by their regulators, which may include evolving regulatory views on capital adequacy. For example, the European Commission is in the process of reviewing Solvency II which is likely to result in regulatory changes to the Group's and Codan Denmark's solvency requirements. The Group's and Codan Denmark's regulatory capital requirements also depend on the level of risk facing them as well as on internal risk margin calculations, and as such correlate to economic and general insurance market cycles, their ability to write new business successfully and to establish premium rates and reserves at levels sufficient to cover losses, as well as the performance of their investment portfolio.

The Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's capital position can be adversely impacted by a number of factors, in particular factors that may erode the Enlarged Group's capital resources and could impact the quantum of risk to which the Enlarged Group is exposed. Such factors include lower than expected earnings and accumulated market impacts (such as foreign exchange and asset valuation). In addition, any event that erodes current profitability and/or is expected to reduce future profitability or make profitability more volatile could impact the Enlarged Group's capital position.

To the extent that the funds currently available to the Group and Codan Denmark are insufficient to fund the Enlarged Group's future capital and operating requirements and cover claims payments, it may need to raise additional funds through financings or curtail its growth and/or reduce its assets. Any equity or debt financing, if available at all, may be on terms that are not favourable to the Enlarged Group and a downgrade in the Enlarged Group's credit ratings could impact the terms and availability of such financing and access to the debt capital markets. If the Enlarged Group cannot obtain adequate capital on favourable terms or at all, its cash flows, business, financial condition, results of operations and prospects could be materially adversely affected. This may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

3.3 Credit ratings may not reflect all risks and a downgrade or a potential downgrade in the Group's and/or Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's credit or financial strength ratings could affect their standing in the market and may decrease premiums and earnings, which may adversely affect their liquidity or capital position, or the cost of raising capital or cause them to incur additional financing obligations.

Credit ratings are an important factor in the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's competitive positions.

On 23 September 2021, the Issuer announced that the international credit rating agency Fitch Ratings has rated Alm. Brand Forsikring A/S and the Issuer for the first time. Fitch Ratings has assigned Alm. Brand Forsikring A/S an insurance financial strength rating (IFSR) of 'A+' and has assigned the Company a long-term issuer default rating (IDR) of 'A'. Both ratings are assigned a 'stable outlook' reflecting Fitch Ratings' expectation that the rating will remain at the level assigned in the short to medium term. In addition, Fitch Ratings has assigned the Notes a rating of 'BBB'. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by Fitch Ratings at any time.

Rating organisations periodically review the financial performance and condition of insurers. Rating organisations assign ratings based upon a variety of factors according to published criteria. While most of the factors relate to the rated company including the level of capital and diversity of insurance risk and mix of invested assets, some of the factors relate to general economic conditions and other circumstances outside the rated company's control.

The Issuer's current credit rating and/or the credit rating of the Notes may not be maintained in the future. Real or expected downgrades, suspensions or withdrawals of credit ratings assigned to the Issuer and/or the Notes, or changes in methodology used to determine these credit ratings, could cause the liquidity or trading prices of the Notes to decline. In addition, any uncertainty about the extent of any anticipated changes to the credit ratings assigned to the Issuer and/or the Notes may adversely affect the liquidity or market value of the Notes.

A downgrade of any of the Enlarged Group's credit ratings could have a material adverse impact on the ability of the Enlarged Group to write certain types of general insurance business, particularly commercial insurance business. Some of Codan Denmark's commercial business is dependent on having a credit rating. If a credit rating is not available or falls short of S&P A- or equivalent, this may have a material adverse impact on Codan Denmark's or, following completion of the Acquisition, the Enlarged Group's cash flows, business, financial condition, results of operations and prospects, which may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes.

A downgrade could also lead brokers to stop recommending the Enlarged Group's products and lead to the loss of other customers whose confidence in the Enlarged Group may be affected or whose policies require insurance from insurers with a certain rating. While the Enlarged Group could, among other things, consider writing business on a fronted basis (i.e., an arrangement where a higher rated insurer writes certain lines of the Enlarged Group's business) to mitigate the effects of the loss of broker recommendations, such measures may have an adverse effect on the Enlarged Group's underwriting profitability. A downgrade could also impact the terms and availability of financing and access to the debt capital markets. Similarly, there is a risk that some customer or corporation agreements may be terminated or renegotiated in case of a rating downgrade.

Rating agencies other than Fitch Ratings could seek to rate the Notes and if such unsolicited ratings are lower than the comparable rating assigned to the Notes by Fitch Ratings, those unsolicited ratings could have an adverse impact on the value and marketability of the Notes.

3.4 When calculating the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's equity, profits/losses account and solvency, accounting estimates are made and if these estimates and the assumptions proves to be incorrect, or if failures have been made with making these estimates and assumptions, this may materially adversely impact the Group's and Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's equity, profit/loss account and solvency.

Calculating the Group's and Codan Denmark's equity, profits/losses account and solvency involve aggregating data, performing calculations and using accounting estimates. Such estimates are made by the Group's and Codan Denmark's management in accordance with the accounting policies and on the basis of historical experience and assumptions. The estimates most significant for calculating equity, profits/losses account and solvency are related to liabilities under insurance contracts, valuation of mortgage deeds and to the calculation of fair values of unlisted financial instruments and receivables.

If these estimates and the assumptions proves to be incorrect or if there is an error in aggregating the relevant data or performing the calculations, this may impact the Group's and Codan Denmark's, and will impact, following completion of the Acquisition, the Enlarged Group's, equity, profit/loss account and solvency, which may have a material adverse effect on the Issuer's ability to satisfy and fulfil its obligations under the Notes. The Management assess this risk to be elevated until Codan Denmark has been fully integrated into the Enlarged Group due to lack of full insight into Codan Denmark until completion of the Acquisition.

4. RISKS RELATED TO THE STRUCTURE OF THE NOTES

4.1 The Issuer's obligations under the Notes are subordinated, and in the event of liquidation or bankruptcy of the Issuer, Noteholders may lose some or all of their investment in the Notes.

The Issuer's obligations under the Notes will constitute direct, unsecured and subordinated obligations of the Issuer and rank:

- a) senior to payments to holders of present or future outstanding Junior Obligations of the Issuer;
- b) *pari passu* without any preference among themselves;
- c) *pari passu* with payments to holders of present or future outstanding Parity Obligations of the Issuer;
- d) junior to payments to holders of present or future outstanding Tier 3 Capital of the Issuer; and
- e) junior to payments to holders of present or future claims of (i) all policyholders and beneficiaries and any other unsubordinated creditors of the Issuer and (ii) creditors in respect of any other obligations or instruments of the Issuer that rank or are expressed or required in accordance with Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital) to rank senior to the Notes.

By virtue of such subordination, in the event of the Issuer's liquidation (*likvidation*) or bankruptcy (*konkurs*), though the Management considers such event to be unlikely to materialise, the assets of the Issuer would be applied first in satisfying all claims which rank senior to the Notes, in full, and payments would be made to Noteholders, pro rata and proportionately with payments made to holders of any other obligations which rank *pari passu* with the Notes (if any), only if and to the extent that there were any assets remaining after satisfaction in full of all such claims which rank senior to the Notes. A Noteholder may therefore recover a smaller proportion of that Noteholder's claim than the holders of unsubordinated liabilities or liabilities of the Issuer that are not as subordinated as the Notes or may not recover any part of its investment in the Notes.

Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Notes which may be incurred or assumed by the Issuer from time to time, whether before or after the issuance of the Notes. The incurrence of any such liabilities may reduce the amount (if any) recoverable by a Noteholder in the event of the liquidation or bankruptcy of the Issuer and/or may increase the likelihood of a deferral of Interest Payments.

Furthermore, if the Issuer's financial condition deteriorates such that there is an increased risk that the Issuer may be subject to liquidation or bankruptcy or that a deferral of Interest Payments might occur, such circumstances can be expected to have an adverse effect on the market price of the Notes. Noteholders may find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. Noteholders who sell their Notes in such circumstances may lose some or substantially all of their investment in the Notes, whether or not the Issuer is subsequently subject to liquidation or bankruptcy or a deferral of Interest Payments occurs.

Although the Notes may pay a higher rate of interest than notes or Notes issued by the Issuer which rank *pari passu* with the Notes, or are less subordinated than the Notes, or not subordinated at all, there is a risk that a Noteholder may lose all or some of its investment should the Issuer breach its solvency capital requirements or become insolvent.

4.2 Noteholders are structurally subordinated to the creditors of the Issuer's Subsidiaries.

The Notes are the obligations of the Issuer alone. The Issuer's Subsidiaries and the Issuer are separate and distinct legal entities with no obligation to pay, or provide funds in respect of, any amounts due and payable in respect of the Issuer's payment obligations under the Notes.

Payments on the Notes are structurally subordinated to all existing and future liabilities and obligations of the Issuer's Subsidiaries. Claims of creditors of such Subsidiaries will have priority over the Issuer and its creditors, including the Noteholders, as to the assets of such Subsidiaries. The Conditions do not contain any restrictions on the ability of the Issuer or its Subsidiaries to incur additional unsecured or secured indebtedness.

4.3 The Notes are long-term securities and Noteholders only have a limited ability to exit their investment in the Notes.

The Notes are scheduled to be redeemed on the Maturity Date at their Outstanding Principal Amount together with Arrears of Interest (if any) and any other accrued interest up to (but excluding)

the Maturity Date. Although the Issuer may, under certain circumstances described in Condition 9 (*Redemption, substitution and purchase*), redeem the Notes, the Issuer is under no obligation to do so, and Noteholders have no right to call for the Issuer to exercise any right it may have to redeem the Notes.

There will be no redemption at the option of the Noteholders in any circumstances. Therefore, Noteholders have no ability to exit their investment, except (i) in the event of the Issuer exercising its right to redeem the Notes in accordance with the Conditions, (ii) by selling their Notes to the extent willing buyers are in the market, or (iii) upon a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, which events the Management considers to be unlikely to materialise, in which in limited circumstances the Noteholders may receive some of any resulting bankruptcy or liquidation proceeds following payment being made in full to all senior and less subordinated creditors. The proceeds, if any, realised by the actions described in (ii) and (iii) above may be substantially less than the principal amount of the Notes or amount of the Noteholder's investment in the Notes.

4.4 A Capital Requirement Breach may depend on factors outside of the Issuer's control.

The occurrence of a Capital Requirement Breach is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control. Accordingly, the trading behaviour of the Notes may not necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities, if any.

The Group has not historically experienced that the Group has not met its Solvency Capital Requirement or its Minimum Capital Requirement as set out in the Danish Financial Business Act, and the Management considers a breach hereof to be unlikely to materialise. However, any indication that the Issuer and/or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an adverse effect on the market price and liquidity of the Notes. The level of the Solvency Capital Requirement or Minimum Capital Requirement of the Issuer and/or the Group may significantly affect the trading price of the Notes. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities, if any.

4.5 A Capital Requirement Breach may also be affected by the Issuer's business decisions and, in making such decisions, the interests of the Issuer may not be aligned with those of the Noteholders.

The occurrence of a Capital Requirement Breach and the development of the regulatory solvency ratios applicable to the Issuer and the Group more generally may also depend on the Group's decisions relating to its businesses and operations, as well as to management of its solvency position. The Issuer will have no obligation to consider the interests of Noteholders in connection with strategic or other decisions of the Group, including making decisions related to capital management. Noteholders will not have any claim against the Issuer or any other member of the Group relating to decisions that may affect the business and operations of the Group, including the solvency position of the Group, regardless of whether they result in the occurrence of a Capital Requirement Breach that in turn might result in a Mandatory Interest Deferral Date, which, however,

the Management considers unlikely to happen. Such decisions could cause Noteholders to lose all or part of their investment in the Notes.

4.6 Interest Payments on the Notes may be deferred under certain circumstances.

Interest on the Notes shall be deferred if a Mandatory Interest Deferral Date occurs, which, however, the Management considers unlikely to happen, and such interest on the Notes may only be paid to the Noteholders on certain conditions and in the option of the Issuer. Noteholders will have no rights in respect of the Interest Payment (or any relevant part thereof) which is deferred. In addition, deferral or non-payment of interest in accordance with the Conditions will not constitute a default or event of default on the part of the Issuer for any purpose.

4.7 Floating interest rate.

The Notes will bear interest at a floating rate from and including the date of issuance of the Notes.

The floating rate interest income is subject to changes to the Screen Rate and therefore cannot be anticipated. Furthermore, the Screen Rate may be negative. Hence, Noteholders are not able to determine a definite yield of the Notes at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

In addition, Noteholders are exposed to reinvestment risk with respect to proceeds from Interest Payments or early redemptions by the Issuer. If the market yield declines, and if Noteholders want to invest such proceeds in comparable transactions, Noteholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields.

4.8 The regulation and reform of "benchmarks" may adversely affect the value of the Notes.

Interest rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Regulation (EU) 2016/1011 (the "Benchmark Regulation") was published in the Official Journal of the EU on 29 June 2016 and has applied since 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and it requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed).

The Benchmark Regulation could have a material impact on the Notes, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may (i) discourage market participants from continuing to administer or contribute to the "benchmark", (ii) trigger changes in the rules or methodologies used in the "benchmark" and/or (iii) lead to the disappearance of the "benchmark". Any such changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Notes.

The Conditions provide for certain fallback arrangements if the Screen Rate is not available and a Screen Rate Termination Event should occur, including the possibility of the Issuer appointing an Independent Advisor to determine a Successor Screen Rate or an Alternative Screen Rate for future Interest Periods. If the Issuer is unable to appoint an Independent Advisor, or the Independent Advisor appointed by it fails to determine a Successor Screen Rate or an Alternative Screen Rate prior to the date specified in Condition 7, the Screen Rate applicable to the next succeeding Interest Period shall be equal to the Screen Rate last determined for the preceding Interest Period. Further, if an Independent Advisor (in consultation with the Issuer) or the Issuer determines that an Adjustment Spread is required to be applied to the Successor Screen Rate or the Alternative Screen Rate and such Adjustment Spread is determined by the Independent Advisor or the Issuer, that Adjustment Spread shall be applied.

4.9 Notes may be traded with accrued interest, which may subsequently be subject to deferral.

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. Although the Management considers it unlikely that a deferral of interest will occur, should an Interest Payment be deferred, a purchaser of Notes in the secondary market will not be entitled to the accrued interest reflected in the purchase price of the Notes. This may affect the value of any investment in the Notes.

4.10 The Issuer may under certain circumstances redeem the Notes at the Issuer's option.

Subject as provided in Condition 9 (*Redemption, substitution and purchase*), the Issuer may redeem all (but not only some) of the Notes at the Outstanding Principal Amount together with (to the extent that such interest has not been deferred) any accrued and unpaid interest to (but excluding) the date of redemption specified pursuant to the Conditions. Such redemption may occur at the option of the Issuer (i) on the First Call Date or on any Interest Payment Date thereafter, (ii) in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a Tax Event, or (iii) following the occurrence of (or if there will occur within six months) a Capital Disqualification Event or a Rating Agency Event.

The redemption at the option of the Issuer on or after the First Call Date may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its

cost of borrowing is lower than the interest rate on the Notes. At those times, a Noteholder may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time. The Issuer may freely choose not to redeem the Notes at the First Call Date or at any other time thereafter, and if the Issuer wishes to redeem the Notes, the Relevant Regulator may prevent the Issuer from redeeming the Notes, e.g. if the Notes will not be replaced with own funds instruments of equal or higher quality as the Notes or if the Issuer has failed to demonstrate to the satisfaction of the Relevant Regulator that its own funds, following redemption of the Notes, exceed (as applicable) its or the Group's solvency requirements by a margin that the Relevant Regulator considers to be appropriate.

4.11 Substitution of the Notes without Noteholder consent.

Subject as provided in Condition 9 (*Redemption, substitution and purchase*), the Issuer may, at its option and without the consent or approval of Noteholders, elect to substitute all (but not only some) of the Notes for, or amend or vary the terms of the Notes so that they become or remain Qualifying Tier 2 Notes in the event of certain changes in the tax treatment of the Notes or payments thereunder due to a Tax Event or a Capital Disqualification Event or in the event of a Rating Agency Event.

Qualifying Tier 2 Notes are securities issued by the Issuer that have, inter alia, terms not materially less favourable to the Noteholders than the terms of the Notes. There can be no assurance that, due to the particular circumstances of each Noteholder, any Qualifying Tier 2 Notes will be as favourable to each Noteholder in all respects or that, if it were entitled to do so, a particular Noteholder would make the same determination as the Issuer as to whether the terms of the relevant Qualifying Tier 2 Notes are not materially less favourable to Noteholders than the terms of the Notes. The Issuer bears no responsibility towards the Noteholders for any adverse effects, including any adverse tax consequences of such substitution or variation.

4.12 Redemption payments under the Notes must, under certain circumstances, be suspended.

Notwithstanding that a notice of redemption has been delivered to Noteholders, the Issuer must suspend redemption of the Notes on any date set for redemption of the Notes pursuant to Condition 9.4 (*Suspension of redemption*) in the event that, inter alia, the Issuer cannot make the redemption payments in compliance with the Solvency Capital Requirement, the Minimum Capital Requirement or the Regulatory Clearance Condition, or if an Insolvent Insurer Winding-up has occurred and is continuing.

Though the Management considers such events unlikely to materialise, the suspension of redemption of the Notes does not constitute a default under the Notes for any purpose and does not give Noteholders any right to accelerate the Notes or take any enforcement action under the Notes.

Any actual or anticipated suspension of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption suspension provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt

securities without such suspension feature, including dated securities where redemption on the scheduled maturity date cannot be suspended, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition. Noteholders may also find it difficult to sell their Notes in such circumstances, or may only be able to sell their Notes at a price which may be significantly lower than the price at which they purchased their Notes. In such event, Noteholders may lose some or substantially all of their investment in the Notes.

4.13 No events of default and limited enforcement rights available to Noteholders.

The Conditions do not provide for any events of default allowing acceleration of the Notes. Noteholders may not at any time demand repayment or redemption of their Notes, and enforcement rights for any payment are limited to the claim of Noteholders in a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer. In a liquidation or bankruptcy of the Issuer, which events the Management considers unlikely to materialise, a Noteholder may prove or claim in such proceedings in respect of such Note, such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such liquidation or bankruptcy together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such liquidation or bankruptcy and any other amounts payable on such Note under the Conditions (including any damages payable in respect thereof).

These features, taken together, mean that there is a significant risk that a Noteholder may not be able to recover its investment in the Notes.

4.14 Changes to Solvency II or other applicable law or regulation may increase the risk of the cancellation of Interest Payments or the occurrence of a Capital Requirement Breach.

Solvency II requirements implemented in Denmark, whether as a result of further changes to Solvency II or changes to the way in which the Relevant Regulator interprets and applies these requirements to the Danish insurance industry, may change, and considering the relatively rapid changes to applicable regulation, such changes may likely occur at some point in time before the Notes are redeemed. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of regulatory capital requirements, and such changes may make the Issuer's and/or the Group's regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency II in Denmark subsequent to the date of the investor presentation and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the calculation of the Issuer's regulatory capital requirements and thus increase the risk of cancellation of Interest Payments, the occurrence of a Capital Requirement Breach and subsequent redemption of the Notes by the Issuer, as a result of which a Noteholder could lose all or part of the value of its investment in the Notes.

Additionally, the Issuer and/or the Group may be required to raise further capital pursuant to applicable law or regulation or the official interpretation thereof in order to maintain the then applicable Minimum Capital Requirement and Solvency Capital Requirement.

4.15 Uncertainties remain in relation to how Solvency II will be interpreted.

The defined terms in the Conditions will depend in some cases on the interpretation of Solvency II. Solvency II is the EU-wide regime for the prudential regulation of insurance and reinsurance undertakings. Originally adopted by the European Parliament and Council in 2009, Solvency II became effective on 1 January 2016. Certain portions of the Solvency II Directive required transposition into Danish law, and although the Solvency II Regulation is directly applicable in each Member State, the Solvency II Regulation leaves a number of interpretational issues to be resolved through binding technical standards that have been adopted, and will be adopted in the future, and leaves certain other matters to the discretion of the Relevant Regulator. The manner in which the framework and requirements under Solvency II will be applied to the Issuer and/or the Group remains uncertain to a degree and changes in the interpretation of Solvency II may likely occur at some point in time before the Notes are redeemed.

4.16 Restrictions on right to set-off etc.

Subject to applicable law, no Noteholder will be entitled to exercise any right of set-off, netting or counterclaim against monies owed to the Issuer by such Noteholder in respect of the Notes.

4.17 No restriction on dividends, share repurchases or cancellations.

The Conditions do not contain any restriction on the ability of the Issuer to pay dividends on, or repurchase or cancel, its share capital. This could decrease the Issuer's capital and therefore increase the likelihood of a cancellation of Interest Payments although the Management considers such substantial decrease of the Issuer's capital as unlikely.

4.18 Meeting of Noteholders, modification and waivers.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

4.19 The Notes are dematerialised securities.

Because the Notes are dematerialised securities held in uncertificated book entry form in accounts with the Securities Depository, Noteholders will have to rely on the Securities Depository's procedures for transfer, payment and communication with the Issuer. The Notes will not be evidenced by any physical bond, note or document of title other than statements of account made by the Securities Depository. Ownership of the Notes will be recorded and transfer effected only through the book entry system and register maintained by the Securities Depository.

4.20 Taxation.

Any transfer of the Notes may require potential purchasers and sellers of the Notes to pay taxes in accordance with applicable tax laws. Furthermore, withholding or other taxes may from time to time be imposed on Interest Payments or other payments by the Issuer under the Notes and although the Issuer is obligated under the Conditions to compensate Noteholders for certain such taxes, those compensation obligations are subject to exemptions and may not fully compensate a Noteholder or at all. Potential Noteholders are therefore strongly recommended to contact their own tax

advisor to clarify the individual consequences of their investment in, holding of and disposal of the Notes.

4.21 Limitation on gross-up obligation under the Notes.

The Issuer's obligation to pay Additional Amounts in respect of any withholding or deduction in respect of taxes under the Conditions applies only to payments of interest under the Notes and not to payments of principal. As such, the Issuer will not be required to pay any Additional Amounts under the Conditions to the extent any withholding or deduction applies to payments of principal.

Accordingly, if any such withholding or deduction were to apply to any payments of principal in respect of the Notes, Noteholders may receive less than the full Outstanding Principal Amount under the Notes upon redemption, and the market value of the Notes may be adversely affected.

5. RISK RELATED TO THE MARKET GENERALLY

5.1 Absence of public markets for the Notes.

The Notes may not be widely distributed and there is currently no active trading market. No assurance can be given that an active trading market in the Notes will develop. Therefore, Noteholders may not be able to sell their Notes easily or at prices that will provide them with a yield comparable with similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes as the Notes are publicly traded securities which may from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the Issuer. Such volatility may be increased in an illiquid market including in circumstances where a significant proportion of the Notes are held by a limited number of initial investors. If any market in the Notes has developed, or does develop, it may become severely restricted, or may disappear, if the financial condition and/or the solvency position of the Issuer deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable to make Interest Payments on the Notes or of a Trigger Event occurring.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

5.2 The market value of the Notes may be influenced by factors beyond the Issuer's control.

Many factors, most of which are beyond the Issuer's control, including factors related to geopolitical circumstances such as the Russian-Ukrainian conflict, may influence the market value of the Notes and the price, if any, at which market participants may be willing to purchase or sell the Notes in the secondary market. These factors include any credit ratings assigned to the Issuer and/or the Notes (and any subsequent downgrading thereof), the creditworthiness of the Issuer, the Issuer's ability to generate Distributable Items on an ongoing basis through its operations and the Enlarged Group's compliance with the Solvency Capital Requirement and the Minimum Capital Requirement. For a further description of these risks and the impact and likelihood of them to occur, please see the risks factors described above.

If the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes as they fall due deteriorates, for example because of the materialization of any of the risks regarding the Issuer set out above, the market value of the Notes will be materially and adversely affected.

In addition, even if the likelihood that the Issuer will be in a position to fully perform all obligations under the Notes as they fall due has not deteriorated, market participants could have a different perception. Moreover, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Issuer could adversely change. Such estimation may also be significantly adversely affected by events (such as suspension of interest payments, write-down or conversion of principal or failure to exercise an issuer call option) affecting individual issuers of subordinated debt securities in the insurance sector or more widely in the financial sector even though such events do not have any direct impact on, or connection with, the Issuer's, the Group's or the Enlarged Group's profitability or likelihood of default.

The Issuer is not able to quantify the probability of such risks to occur but if any of these risks occurs, third parties would likely only be willing to purchase Notes for a lower price than before the materialisation of the aforementioned risk. Under these circumstances, the market value of the Notes will decrease.

GENERAL INFORMATION

This Prospectus is governed by Danish law.

Nordea Bank Abp is acting as Manager and will receive remuneration from the Issuer for its services. In the course of its usual business activities, the Manager or certain companies affiliated with it may have provided and may in the future provide investment banking advice and carry on normal banking business with the Issuer and any subsidiaries and affiliates. The members of the Manager are acting exclusively for the Issuer and no one else in connection with the issuance and listing of the Notes, and they will not regard any other person as their respective clients in relation hereto.

This Prospectus is not intended to provide the basis of any credit or any other evaluation and should not be considered as a recommendation or invitation by the Issuer or the Manager that any recipient of this Prospectus should acquire the Notes. Each prospective investor should determine for itself the relevance of the information contained in this Prospectus, and any acquisition of the Notes should be based upon such information as it deems necessary.

The information contained in this Prospectus has been provided by the Issuer and by other sources identified herein. The Manager makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the information contained in the Prospectus. Nothing contained in this Prospectus is or may be relied upon as a promise or representation by the Manager in this respect, whether as to the past or the future. The Manager assumes no responsibility for the accuracy or completeness of the Prospectus and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which the Manager may otherwise be found to have in respect of this Prospectus or any such statement.

Neither the delivery of this Prospectus nor the acquisition of Notes will create any implication that the information contained herein is correct as at any time subsequent to the Prospectus Date. Any material changes in connection with the information in this Prospectus which may affect the evaluation of the Notes, which occur or are ascertained between the time of approval of this Prospectus and the commencement of trading on Nasdaq Copenhagen, will be published as a supplement pursuant to applicable securities rules and legislation.

Further, investors acknowledge that they have not relied on the Manager, or any person affiliated with the Manager, in connection with an investigation of the accuracy of any information contained in this Prospectus or their investment decision. Investors also acknowledge that they have relied only on the information contained in this Prospectus, and that no person has been authorised to give any information or to make any representation concerning the Issuer, the Group or the Notes other than contained in this Prospectus, and, if given or made, any such information or representation should not be relied upon as having been authorised by the Issuer or the Manager.

Prospective investors should make an independent assessment as to whether the information in this Prospectus is relevant, and any purchase of Notes should be based on the examinations that the prospective investor may deem necessary.

The Prospectus may not be forwarded, reproduced or otherwise redistributed, in whole or in part, by anyone but the Issuer and the Manager. Investors may not reproduce or distribute this Prospectus, in whole or in part, and investors may not disclose any of the contents of this Prospectus or use any information herein for any purpose other than for considering the purchase of Notes described in this Prospectus. Investors agree to the foregoing by accepting delivery of this Prospectus.

The listing and trading of the Notes will be subject to Danish law, and neither the Issuer, nor the Manager, have taken and will not take any action in any jurisdiction, except for Denmark which may result in a public offering of the Notes. Further, neither the Issuer nor the Manager or any of their respective representatives, will make any representation to any offeree or purchaser of the Notes regarding the lawfulness of an investment in the Notes by such offeree or purchaser under the legislation applicable to such offeree or purchaser. All prospective investors should individually examine the legal basis and consequences of acquiring the Notes, including any tax issues and currency restrictions that may be relevant in connection with such acquisition. Further, all prospective investors should individually examine the legal basis, including tax consequences of an acquisition of the Notes or the trading in the Notes, through their own advisers. This Prospectus does not constitute an offer of or an invitation to purchase any Notes in any jurisdiction in which such offer or invitation would be unlawful.

Furthermore, the Notes are subject to selling restrictions in certain jurisdictions, see Part II, section 16 – "Selling Restrictions". Prospective investors in the Notes must comply with all applicable rules and legislation in countries or territories in which they acquire the Notes or possess or distribute this Prospectus and must obtain necessary consent, approval or permission, as required, for the acquisition of the Notes. Any person into whose possession this Prospectus may come are required by the Issuer and the Manager to inform themselves about such restrictions and to observe such restrictions. Neither the Issuer, the Issuer's auditors, nor any other independent accountants nor the Manager accept liability for any violation of these restrictions by any person.

Presentation of financial statements and other information

Certain accounting and statistical figures in this Prospectus have been subject to rounding adjustments. Accordingly, the sum of these figures is not necessarily equivalent to the total amount stated. In addition, certain percentage figures reflect calculations based on the underlying information prior to rounding and, accordingly, the percentage figures may not necessarily be exactly equivalent to the figures that would be derived if the relevant calculations were based upon the rounded numbers.

Reference is made to Part I, section 4 – "Presentation of financial information" for further details about the financial information included in this Prospectus.

Enforcement of civil liabilities and service of process

The Issuer is a public limited liability company organised under Danish law. Members of Management are residents of Denmark, and all or a substantial share of assets of the Issuer and such persons are located in Denmark. As a result, it may not be possible for investors to effect service of process upon such persons or the Issuer outside Denmark or to enforce judgments obtained in courts outside Denmark based on applicable legislation in jurisdictions outside Denmark against such persons or the Issuer.

The Issuer's Management all reside in countries outside of the United States, and all of the Issuer's assets are located outside of the United States. As a result, it may not be possible for investors to effect service of process upon the Issuer, or such directors and officers or to enforce against any of the aforementioned parties a judgement obtained in a United States court. Original actions, or actions for the enforcement of judgements of United States courts, relating to the civil liability provisions of the federal or state securities laws of the United States are not directly enforceable in Denmark. The United States and Denmark do not have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters.

Accordingly, a final judgement for the payment of money rendered by a United States court based on civil liability will not be directly enforceable in Denmark. However, if the party in whose favour such final judgement is rendered brings a new lawsuit in a competent court in Denmark, that party may submit to the Danish court the final judgement that has been rendered in the United States. A judgement by a federal or state court in the United States against the Issuer or any of the Issuer's directors and officers will neither be recognized nor enforced by a Danish court, but such judgement may serve as evidence in a similar action in a Danish court.

Third-party information

This Prospectus does not contain any expert statement or report. This Prospectus contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and markets. Unless otherwise indicated, such information is based on the Issuer's analysis of multiple sources, including public market studies.

While the Issuer can confirm that information from external sources has been accurately reproduced, the Issuer has not independently verified and cannot give any assurances as to the accuracy of market data as presented in this Prospectus that was extracted or derived from these external sources. As far as the Issuer is aware and able to ascertain from this information, no facts have been omitted which would render the information provided inaccurate or misleading.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgements by both the researchers and the respondents.

Neither the Issuer nor the Manager make any representations as to the accuracy of such information that was extracted or derived from these external sources. Thus, any development in the Group's activities may deviate from the market developments stated in the Prospectus. The Issuer and the Manager do not assume any obligation to update such information. If information has been obtained from third parties, the Issuer confirms that such information has been accurately reproduced and that, to the best of the Issuer's knowledge and belief and in so far as can be ascertained from the information published by such third-party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Issuer's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in "Risk Factors" and those included elsewhere in this Prospectus.

I. ISSUER INFORMATION

1. AUDITORS

The Issuer's independent auditors, elected at the annual general meeting 2021, are:

EY Godkendt Revisionspartnerselskab
CVR no. 30700228
Dirch Passers Allé 36
DK-2000 Frederiksberg

represented by State-Authorised Public Accountants Lars Rhod Søndergaard (MNE-no. 28632) and Thomas Hjortkjær Petersen (MNE-no. 33748). As such, the Group's 2021 Consolidated Financial Statements were audited by EY Godkendt Revisionspartnerselskab represented by State-Authorised Public Accountants Lars Rhod Søndergaard (MNE-no. 28632) and Thomas Hjortkjær Petersen (MNE-no. 33748).

Up until 2020 Deloitte Statsautoriseret Revisionspartnerselskab has been the independent auditor of the Group. Due to mandatory firm rotation stipulated by EU regulation, EY Godkendt Revisionspartnerselskab has been elected as the Group's independent auditor from 2021.

As such, the Group's 2020 Consolidated Financial Statements were audited by Deloitte Statsautoriseret Revisionspartnerselskab represented by State-Authorised Public Accountants Anders Oldau Gjelstrup (MNE-no. 10777) and Brian Schmit Jensen (MNE-no. 40050).

The above auditors are members of FSR – Danish Auditors, the Danish association for state-authorised public accountants (*FSR – Danske Revisorer*) and licensed by the Danish FSA.

2. IMPORTANT NOTICE

2.1 Special notice regarding the Prospectus

The information in the Prospectus is as of the date printed on the front of the cover, unless expressly stated otherwise, being the Prospectus Date. The delivery of the Prospectus at any time does not imply that there has been no change in the Group's business or affairs since the Prospectus Date, or that the information contained herein is correct as of any time subsequent to the date hereof.

The Notes are complex financial instruments that involve a high degree of risk. Sophisticated institutional investors generally purchase complex financial instruments as part of a wider financial structure and in a way to enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and the risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and (vi) consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

No person has been authorised to give any information or make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon

as having been authorised by the Manager or the Issuer. None of the Issuer or the Manager accept any liability for any such information or representation.

The distribution of this Prospectus and the offer or sale of the Notes in certain jurisdictions are restricted by law. By investing in the Notes, investors will be deemed to have made certain acknowledgements, representations and agreements as described in this Prospectus. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period of time. No action has been or will be taken by the Manager or the Issuer to permit a public offering in any jurisdiction other than Denmark. Persons into whose possession this Prospectus may come are required by the Manager and the Issuer to inform themselves about and to observe such restrictions. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful. For further information with regard to restrictions on offers and sales of the Notes and the distribution of this Prospectus, see Part II, section 16 – "Selling Restrictions".

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it would be unlawful to make such an offer. This Prospectus may not be forwarded, reproduced or in any other way redistributed by anyone but the Manager and the Issuer.

Prospective investors may not reproduce or distribute this Prospectus, in whole or in part, and prospective investors may not disclose the content of this Prospectus or use any information herein for any purpose other than considering the purchase of the Notes. Investors agree to the foregoing by accepting the delivery of this Prospectus.

The Manager is acting for the benefit of the Issuer and no one else in relation to the issuance of the Notes and the admission to trading and official listing of the Notes on Nasdaq Copenhagen. The Manager will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of the Manager or for providing advice in relation to the issuance of the Notes and admission to trading and official listing of the Notes on Nasdaq Copenhagen.

2.2 Special notice regarding Codan Denmark

This Prospectus contains certain information pertaining to the commercial, financial, operational and legal position of Codan Denmark and/or the Sellers which the Issuer has received from Codan Denmark and/or the Sellers, and/or which has been extracted from publications, reports and other documents prepared by Codan Denmark and/or the Sellers. While the Issuer can confirm that any information received from Codan Denmark and/or the Sellers and/or extracted from publications prepared by Codan Denmark and/or the Sellers has been accurately described and reproduced, the Issuer has not independently verified and consequently is not giving any assurances as to the accuracy of the information as presented in this Prospectus which has been received from, or has been extracted from publications, reports or other documents prepared by Codan Denmark and/or the Sellers.

2.3 Special notice regarding forward-looking statements

Certain statements in this Prospectus constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Group's and the Enlarged Group's anticipated or planned financial and operational performance.

The words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "estimates" or similar expressions or the negatives thereof, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, in the summary and under the headings "Risk Factors", "The Acquisition", "Business overview of the Group", and include, among other things, statements addressing matters such as:

- i) Expectations regarding regulatory and competition approvals required prior to completion of the Acquisition;
- ii) The anticipated benefits and cost synergies resulting from the integration of Codan Denmark;
- iii) The future impact of economic, political and other developments outside of the Issuer's control on the Enlarged Group's business, financial condition, results of operations and prospectus, including as a result of COVID-19 and severe weather;
- iv) The Issuer's expectations regarding profitability initiatives relating to its operating segments;
- v) Expectations regarding customer retention levels in Denmark;
- vi) Expectations regarding the adequacy of underwriting assumptions going forward and trends and other variable factors impacting claims calculations;
- vii) The Issuer's expectations regarding its financial targets (including prospective financial information) and the achievement of its strategic initiatives and broader strategy (including realising synergies from the Acquisition);
- viii) Expectations regarding the development of legal proceedings; and
- ix) Estimates of expenses, future revenue and capital requirements.

Although the Issuer believes that the expectations reflected in these forward-looking statements are reasonable as of the Prospectus Date, such forward-looking statements are based on the Issuer's current expectations, estimates, forecasts, assumptions and projections about the Group's and the Enlarged Group's business and the industry in which the Group and the Enlarged Group operate are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other important factors beyond the Group's and the Enlarged Group's con-

trol that could cause the Group's and the Enlarged Group's actual results, performance, achievements or industry results to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include the risks mentioned in the section "Risk Factors".

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Group's and the Enlarged Group's actual financial condition, cash flow or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. The Issuer urges its prospective investors to refer to "Risk Factors" and Part I, section 6 – "Business overview of the Group" for further details on the factors that could affect the Group's and the Enlarged Group's future performance and the market in which it operates.

These forward-looking statements speak only as of the Prospectus Date. The Issuer does not intend, and does not assume, any obligations to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq Copenhagen. All subsequent written and oral forward-looking statements attributable to the Issuer or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained in this Prospectus.

Neither the Issuer's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forward-looking financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forward-looking financial information.

3. INFORMATION ABOUT THE ISSUER

3.1 Legal name and commercial name of the Issuer

Alm. Brand A/S
CVR no. 77333517
Midtermolen 7
Postboks 2687
DK-2100 Copenhagen Ø
Denmark

Legal entity identifier (LEI): 549300H4TGLJVZ6VTA48
Telephone: +45 3547 4747
www.almbrand.dk

The Issuer's domicile is the same as its registered office above.

The information on the website does not form part of the Prospectus, is not incorporated by reference into this Prospectus, unless specifically stated in Part I, section 10.1– "Additional information" – "Financial statements", and has not been scrutinised or approved by the Danish FSA, unless otherwise specifically stated herein.

3.2 Country of incorporation and governing law

The Issuer is a public limited liability company incorporated in Denmark and is subject to Danish law.

4. PRESENTATION OF FINANCIAL INFORMATION

4.1 Introduction

The financial information included in (or incorporated by reference in) this Prospectus is summarised in the table below, including listing of the documents from which the financial information is based on or derived from.

Financial information for previously reported financial years may deviate from subsequently released financial information as a result of the subsequent retrospective implementation of changes in accounting policies and other adjustments with retrospective effect in accordance with IFRS.

The consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the EU and in accordance with the Danish Executive Order no. 1306 of 16 December 2008 on the application of international accounting standards for companies comprised by the Danish Financial Business Act (*bekendtgørelse om anvendelse af internationale regnskabsstandarder for virksomheder omfattet af lov om finansiel virksomhed*).

Table no. 1 – Summary of financial information in this Prospectus

Financial information about	Financial information (included elsewhere in the Prospectus or incorporated by reference)	Accounting principles / basis of preparation
The Group	Audited consolidated financial statement as of and for the financial year ended 31 December 2021 audited by EY Godkendt Revisionspartnerselskab and audited consolidated financial statement as of and for the financial year ended 31 December 2020	IFRS as adopted by the EU

4.2 Presentation of financial information for the Group

The 2021 Consolidated Financial Statements and the 2020 Consolidated Financial Statements have been prepared by the Group in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for listed financial enterprises and audited by the Issuer's independent auditor which for the 2021 Consolidated Financial Statements was EY Godkendt Revisionspartnerselskab and which for the 2020 Consolidated Financial Statements was Deloitte Statsautoriseret Revisionspartnerselskab.

In the 2020 Consolidated Financial Statements and 2021 Consolidated Financial Statements, Alm. Brand Liv og Pension is presented as a discontinued activity due to the sale of the entire share capital of Alm. Brand Liv og Pension, which distributed the Group's life insurance products, including its fully owned subsidiary, Alm. Brand Ejendomsinvest A/S, to Nordic I&P DK ApS, which is not the case for the 2020 Consolidated Financial Statements.

In the 2020 Consolidated Financial Statements with comparative numbers for 2019 Alm. Brand Bank A/S (now Syd ABB A/S), including its fully owned subsidiary, Alm. Brand Leasing A/S (now Opendo A/S), is presented as a discontinued activity due to the sale of the bank to Sydbank A/S in November 2020.

The 2021 and 2020 Consolidated Financial Statements are partly incorporated into this Prospectus by reference, in Part I, section 10.1 – "Additional information" – "Financial statements".

References in this Prospectus to the Group's accounting policies refer to the accounting policies applied in the 2021 Consolidated Financial Statements.

4.3 Key ratios

The 2021 Consolidated Financial Statements and the 2020 Consolidated Financial Statements contain non-IFRS financial measures. The non-IFRS financial measures presented are not measures of financial performance under IFRS, as adopted by the EU, but are measures that are defined under other accounting frameworks (key ratios). The measures defined and used by the Management may not be indicative of historical operating results, nor are such measures meant to be predictive of future results. The Issuer has presented these measures because it considers them an important supplemental measure of its performance and believes that they are widely used by investors in comparing performance between companies in the insurance industry. However, not all companies may calculate the alternative financial measures in the same manner or on a consistent basis, and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the alternative financial measures contained in this Prospectus and they should not be considered as a substitute for standard financial measures in the profit loss statement, balance sheet or cash flow statement presented in accordance with IFRS, as adopted by the EU, or frameworks applied for key ratios.

The following financial measures included in this Prospectus are not measures of financial performance or liquidity under IFRS, as adopted by the EU, but are calculated in accordance with the Danish Executive Order no. 937 of 27 July 2015 on financial re-ports for insurance companies and multi-employer occupational pension funds, as amended:

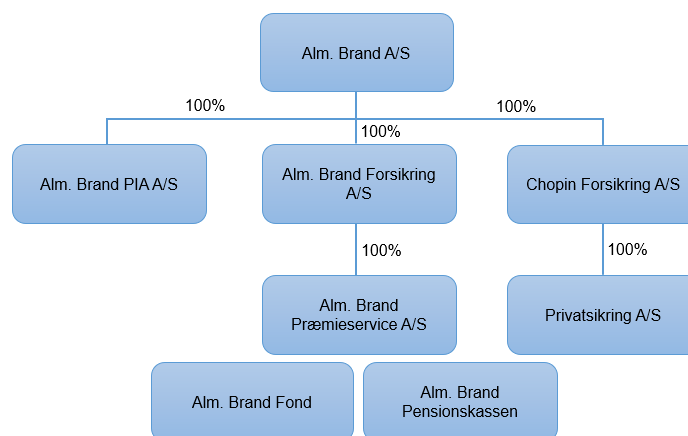
Gross premium income – Gross premium income, as calculated by the Group, represents gross premium written adjusted for change in gross premium provisions, change in profit margin and risk margin less bonuses and premium discounts.

5. THE ACQUISITION OF CODAN DENMARK

5.1 Overview

On 11 June 2021, the Issuer announced that it had entered into a conditional share purchase agreement (the Share Purchase Agreement) with the Sellers concerning the acquisition of the entire issued and to be issued share capital of Chopin Forsikring (a Danish regulated entity to which the business is conducted by Codan Forsikring and Privatsikring relating to the Danish insurance business, including the assets and liabilities relating to Danish insurance business of Codan Forsikring and Privatsikring and such other assets and liabilities, will be transferred through a Demerger). The Acquisition is expected to be completed during H1 2022.

Figure no. 1 – Expected structure for the Enlarged Group immediately following the Acquisition



Prior to completion of the Acquisition, a Demerger of Codan Forsikring must be completed whereby the Codan DK Business will be demerged into Chopin Forsikring and the sole legal ownership of Trygg-Hansa and Codan Norway will be transferred to Tryg Forsikring A/S (the Demerger). The Demerger is expected to be executed by H1 2022. Furthermore, following the Demerger, a reorganisation must be completed whereby Chopin Forsikring will be transferred to the Seller (the Reorganisation). After completion of the Reorganisation, the Acquisition will be completed by the Issuer acquiring the shares of Chopin Forsikring, which is expected to take place during H1 2022. The Issuer is not a party to any of the necessary legal steps to be taken by the Sellers prior to the completion of the Acquisition such as the Demerger and the Reorganisation. The Acquisition includes Codan Forsikring's minority interests in SOS International A/S, Scalepoint Technologies Ltd., Forsikringsakademiet A/S, its wholly owned subsidiary, Privatsikring and the US Branch of Codan Forsikring. For the last two years, there has been no insurance liabilities in the US Branch and as such the primary activity of the US Branch was to hold US investments bonds and as such there were very few obligations and liabilities in the US Branch. The US Branch withdrew its licensing status in New York effective 19 October 2021.

The Acquisition is subject to a number of outstanding conditions, see "Risk Factors", 1.1 – "The Acquisition is subject to a number of conditions that remain outstanding, which may not be satisfied or waived or the receipt of which may prevent or delay completion of the Acquisition."

The base consideration under the terms of the Acquisition amounts to DKK 12,586,000,000 (the **"Base Consideration"**). The Base Consideration is subject to adjustments in the own funds (as defined in Solvency II) as per the date on which completion of the Demerger occurs. Further, an amount of DKK 1,000,000 will accrue daily on the Base Consideration from and excluding the date of the Demerger completion accounts up to and including the date of completion of the Acquisition.

The Acquisition will be partly financed by the proceeds from the Offering and partly by the issuance of the Notes as well as the Company's existing funds including proceeds from the Divestment and/or via other financing sources.

The Seller will have full control over Chopin Forsikring and Codan Denmark, which will remain completely separate and independent from Tryg, until completion of the Acquisition and will be in charge of leading the process for fulfilling certain of the conditions, including seeking certain of the required approvals, in particular completion of the Demerger, and completion of the Reorganisation. In addition, the Seller will ultimately continue to have the overall responsibility for the governance and prudent operation of the whole of Chopin Forsikring and Codan Denmark, until completion of the Acquisition.

For information about the risks pertaining to the Acquisition, please refer to "Risk Factors", 1 – "Risks Relating to the Acquisition".

5.2 Strategic rationale

The purpose of the Acquisition is to strengthen the Issuer's strategic position in the Danish non-life insurance market. The Acquisition is expected to create the second-largest non-life insurance company in the Danish non-life insurance market, with a combined market share (based on gross premium income) of approximately 16.8% as of Q1 2021 (based on an addition of the Group's and Codan Forsikring's market shares) (source: Forsikring & Pension (<https://www.forsikringogpension.dk/statistik/markedsandele-for-skadesforsikring/>)). It should be noted that the statistics from Forsikring & Pension considers Topdanmark A/S and IF Skadeforsikring (Filial af Skadeförsäkring AB (publ), Sverige) as separate entities despite some overlap in ultimate ownership.

The Issuer believes that the strategic fit between Codan Denmark and the Issuer is strong with complementary strategies across distribution channels, customer and business segments. The distribution channels will be expanded with a better balance across brokers, direct sales, tied agents and partnerships and with an enlarged distribution setup. The Enlarged Group is expected to be in a stronger position to accommodate customer preferences in respect of onboarding and servicing the customers from new sales to claims handling.

6. BUSINESS OVERVIEW OF THE GROUP

This business overview contains a number of observations, judgments and estimates, especially in relation to market sizes, market shares and market trends, which are based on the Management's estimates and publicly available information. The Management's estimates are generally based on the Group's knowledge of the market and various external research and industry reports. External sources were used only to a limited extent in the preparation of this business and market review. However, there can be no assurance that other sources may not express a different opinion of the market, etc. than the one on which the Management has based its views. The information regarding market conditions is based on the Management's estimates. The forward-looking estimates are subject to uncertainty. Investors should read this section in conjunction with the more detailed information contained in the Prospectus, including the financial and other information referred to in Part I, section 4 – "Presentation of financial information" and Part I, section 10.1 – "Additional information" – "Financial statements" which is incorporated by reference into the Prospectus as set out therein.

6.1 Overview

The Group is headquartered in Copenhagen and provides non-life insurance. The Group sells a broad range of general insurance products including insurances related to personal accident, workers' compensation, vehicle (motor), fire (building) & content insurance, liability insurance and health insurance. The Group was established in 1792 in Denmark and had, as of 31 December 2021, around 1,500 full-time employees (2020: around 1,400 full-time employees) working at the Group's head office in Copenhagen, Denmark, and in the Group's local offices.

The Group is the third largest non-life insurer in Denmark with a market share of 8.5% based on gross premium income in Q1 2021 according to the latest available statistics from the Danish industry organisation Forsikring & Pension. After completion of the Acquisition, the Enlarged Group is expected to be the second largest non-life insurer in Denmark with a market share of 16.8% (based on an addition of the Group's and Codan Forsikring's market shares). It should be noted that the statistics from Forsikring & Pension considers Topdanmark A/S and IF Skadeforsikring (Filial af Skadeförsäkring AB (publ), Sverige) as separate entities despite some overlap in ultimate ownership.

On 1 March 2022, Alm. Brand Forsikring A/S sold the entire share capital of Alm. Brand Liv og Pension, which distributed the Group's life insurance products, including its fully owned subsidiary, Alm. Brand Ejendomsinvest A/S, to Nordic I&P DK ApS.

For the financial year ended 31 December 2021, the Group had (excluding Alm. Brand Liv og Pension):

- i) Total premium income of DKK 5,407 million (2020: DKK 5,343 million);
- ii) Profit of continuing activities before tax of DKK 698 million (2020: DKK 833 million); and
- iii) Return on equity of continuing activities before tax (APM) of 19.1% (2020: 17.1%).

During 2020 and 2021, the Group increased its focus on strategic partnerships. New strategic partnership agreements included Volkswagen Semler Finans Danmark A/S, Sydbank A/S and Willis Insurance Agency. The Group's strategic partnership agreement with Sydbank A/S was established in October 2020 concurrently with the Group's sale of Alm. Brand Bank A/S (now Syd ABB A/S) to Sydbank A/S (closed in November 2020). At the end of 2021, the Group entered into a new strategic partnership with the Willis Insurance Agency for online distribution of change of ownership insurance for private residential transactions.

The Group focus on the Danish market and especially on private customers, small and medium-sized enterprises and agriculture. As of 31 December 2021, the Group's non-life insurance activities had around 380,000 customers based on the number of households (2020: around 380,000 customers based on the number of households). The products for private and commercial customers are distributed through customer service centres, tied agents, partnerships and insurance brokers. The business is divided into the business segments private customers and commercial customers. The private customer segment comprises the Group's sales of insurance to private households through its sales channels and partnerships. The commercial business comprises the Group's sales to agricultural and commercial customers through own sales channels, insurance brokers and partnerships.

6.2 History

The Group was established by a Royal decree signed by King Christian the Seventh on 29 February 1792. At that time, the objective of the Group was exclusively to offer fire insurance for properties outside Copenhagen and in provincial towns. However, the principal objective of providing insurance coverage for the average Danish consumer has not changed over the years and this is still the principal objective of the Group today.

The Group has acquired several companies and expanded its business areas over time.

The following sets forth key milestones of the Group's business:

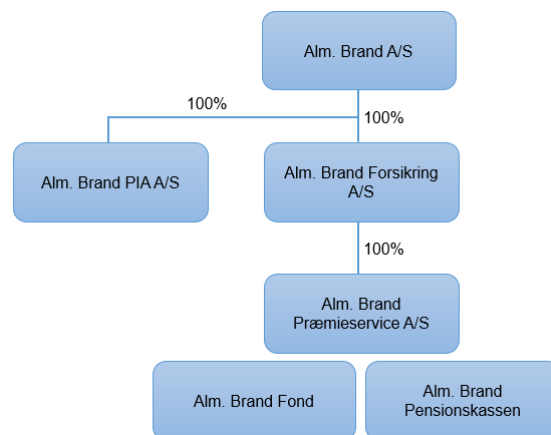
- In 1984, Alm. Brand af 1792 G/S acquired the company called Livsforsikringsaktieselskabet Nordlyset-Liv which was subsequently renamed Alm. Brand Liv og Pension A/S.
- In 1988, Alm. Brand af 1792 G/S acquired SJL-banken A/S which was renamed Alm. Brand Bank A/S (now Syd ABB A/S) situated in Jutland. SJL-banken A/S was originally named Bonusbanken A/S.
- In 1989, Alm. Brand af 1792 G/S acquired Københavnske Re. (A/S Det Københavnske Reassurance-Compagni). At the same time, the Issuer was founded.
- In 1996, Alm. Brand A/S acquired the private limited company Utrecht.
- In 1999, Alm. Brand af 1792 G/S acquired a controlling interest in the financing company Gefion A/S. Gefion A/S subsequently became the parent company for the Group's financial activities. Gefion A/S and the Issuer were merged with Gefion A/S as the surviving company under the name Alm. Brand A/S.

- In 2000, Alm. Brand A/S acquired the Danish activities of Zurich life insurance.
- In 2001, Alm. Brand af 1792 G/S acquired Provinzial Danmark A/S, SamLiv and Cykelhandlernes Forsikringsselskab.
- In 2002, the Group acquired the non-life insurance portfolio from Alm. Brand af 1792 G/S. All activities were hereafter under the Group, and Alm. Brand af 1792 G/S was transformed into a limited liability association (fmba).
- In 2003, Provinsforsikring A/S merged with the Group.
- In 2006, the Group acquired Henton Børsmæglerselskab A/S.
- In 2009, the Group sold Københavnske Re. (A/S Det Københavnske Reassurance-Compagni).
- In 2014, the Group liquidated Alm. Brand Formue A/S.
- In 2017, the Group acquired the insurance company Trafik G/S.
- In 2018, the Group acquired the activities in Saxo Privatbank A/S.
- In 2020, the Issuer sold Alm. Brand Bank A/S (now Syd ABB A/S) to Sydbank A/S.
- In 2021, the Issuer announced that it has enter into an agreement regarding acquisition of Codan Denmark.
- In 2021, the Offering of 1,387,026,000 new shares pursuant to the prospectus dated 8 November 2021 was completed and consequently the Company's registered share capital was increased to nominally DKK 1,541,140,000.
- In 2022, Alm. Brand Forsikring A/S sold the entire share capital of Alm. Brand Liv og Pension, which distributed the Group's life insurance products, including its fully owned subsidiary, Alm. Brand Ejendomsinvest A/S, to Nordic I&P DK ApS.

6.3 Legal structure

The following chart provides a summary of the Group's legal structure as at the Prospectus Date.

Figure no. 2 - Legal structure of the Group as at the Prospectus Date



The Issuer is the ultimate parent company of the Group. The insurance products are distributed through Alm. Brand Forsikring A/S.

Other of the Issuer's subsidiaries operate the Group's financing and administration, including Alm. Brand PIA A/S, which is administrating, among others, mortgage deeds and debt collection. Alm. Brand Fond may give prize awards and gifts on anniversaries and other red-letter days in the Group and companies controlled by the Association and may carry out activities related to damage prevention but has not carried out any of such in recent years due to lack of returns on its own funds. Alm. Brand Pensionskassen is a run-off portfolio of pension obligations towards less than 40 previous employees. For a description of the Association, please see Part I, section 9 – "Shareholders".

A large part of the Issuer's shares are owned by the Association which as at the Prospectus Date holds approximately 46.7% of the total share capital in the Issuer. No other shareholder holds 5% or more of the capital or the voting rights of the Issuer, see also Part I, section 9 – "Shareholders".

6.4 Corporate social responsibility and ESG

The Group seeks to conduct its business in a responsible and sustainable manner with its vision: "We take care of our customers". "Taking care of" applies not only to customer relationships, but also to employee relationships, environmental and climate matters and to matters concerning society in general. The Group is working systematically on reducing the Group's energy consumption and reduce the Group's business activities' general impact on the climate. As an example, the Group has relocated some of its offices to new premises which has resulted in a reduction of the Group's energy consumption in 2021. In addition, a new energy system has also been used on the Group's premises to reduce energy consumption in 2021 and going forward. Further, the Group is replacing undesired environmentally damaging chemicals such as freon with natural chemicals in its existing cooling systems.

The Group has established a policy for corporate social responsibility (CSR) focusing on environment and climate, social and employee-related matters, anti-corruption and anti-bribery, human rights and socially responsible investments. These focus areas have been chosen based on the Group's ability to influence these areas positively by acting responsibly. The Group reports on its ongoing focus on the development of these focus areas in its annual CSR report.

The Group is a signatory to the UN Global Compact, which is a voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals. In addition, the Group supports the United Nation's 17 Sustainable Development Goals (SDGs) with a particular focus on gender equality and climate action. Furthermore, the Group supports the Paris Agreement, a legally binding international treaty, signed by a large number of countries, on climate change.

The Group ensures that undertakings which are included in its investments are carefully elected based on several CSR-measures. One of the measures is that the undertakings shall comply with the Paris Agreement which aim at an annual reduction of carbon dioxide on 7 percentage and generally positively contribute to a more sustainable future.

The Group strives to operate in a transparent way and agrees with the basic principles of the Corporate Governance Recommendations. This is also reflected in the Group's management approach, which is generally consistent with these recommendations.

For further information on the Group's work with corporate social responsibility reference is made to the CSR report for 2021 published on the Issuer's website. The information on the Issuer's website does not form part of this Prospectus and is not incorporated by reference into this Prospectus, unless specifically stated in Part I, section 10.1 – "Additional information" – "Financial statements".

6.5 Description of the products

The Group's principal products include the general insurance products presented below.

- **Personal accident.** Personal accident covers for accidental bodily injury and death resulting from accidents. Compensation takes the form of a lump sum intended to help the customer cope with the financial consequences of an accident, thereby making their daily lives easier. The insurance can include a number of supplementary covers.
- **Workers' compensation.** Workers' compensation covers for employees against bodily injury sustained at work. Workers' compensation insurance is mandatory and covers a company's employees (other than for public sector employees and persons working for sole proprietors).
- **Vehicle (Motor):** Vehicle comprises mandatory third-party liability insurance providing cover for injuries to a third-party or damage to a third-party's property, and a voluntary comprehensive insurance policy that provides cover for damage to the customer's own vehicle from collision, fire or theft.
- **Fire (building) & content.** Fire & content provides cover to the private customer segment for the loss of, or damage to, the contents of private dwellings as a result of fire, storms, or water with a range of additional features, such as cover for valuables temporarily away from home,

liability arising from ownership or occupancy and cover for damage to electronic equipment. In relation to commercial, fire & content includes building insurance and covers the loss of or damage to the buildings, stock or equipment of commercial customers.

- **Liability.** Liability provides cover for both commercial general liability and product liability. Commercial general liability is a type of insurance policy that provides coverage to a business for bodily injury, personal injury and property damage caused by the business's operations, products, or injuries that occur on the business's premises. Commercial general liability is considered comprehensive business insurance though it does not cover all risks a business may face. Product liability insurance is a type of business insurance that can cover the cost of compensation claims if someone is injured or their property is damaged by a product sold by the policy holder.
- **Health insurance.** Health insurance is sold as a white-labelled product from If Skadeforsikring to ensure a share and flexible insurance price. Health insurance consists of workers' compensation insurance and personal accident insurance.

6.6 Operations

6.6.1 Overall

The Group's products for private and commercial customers are distributed through customer service centres (2021: 36%; 2020: 33%), tied agents (2021: 52%; 2020: 58%) and brokers (2021: 12%; 2020: 9%) based on gross premium income. Customer service centres provide advisory services to customers from three regional service centres while tied agents provide services locally from either sales centres or regional offices. As part of the Group's partnership with Volkswagen Semler Finans Danmark A/S, the Group may provide white label motor insurance products.

Retention rates for customers within the private and commercial customer segments amounted to:

- Private customer segment: 88.8% in 2021 (2020: 88.1%)
- Commercial customer segment: 91.0% in 2021 (2020: 90.4%)

Non-life insurance activities in 2020 and 2021 were affected by COVID-19 and the ensuing periods of partial lockdown of society. In parts of 2020, society saw a lower-than-usual level of activity with fewer claims being reported consequently. This claim pattern was primarily relevant to the Group's casualty, motor and travel insurance lines. The claims percentage was in 2021 positively affected by the temporary close down of the society, which positively impacted most insurance products. The generally lower activity combined with a continued extensive use of remote work resulted in fewer car accidents and a lower frequency of forced entries, however overall the impact was lower than in 2020. However, the Group's commercial customer portfolio was hit by some major fire losses at the end of 2021, which was largely covered by the Group's reinsurance program resulting in a reduction of the loss ratio net of reinsurance and the annual result ended at a satisfactory level.

Gross premiums rose by 1.2% in 2021 compared to 2.0% in 2020.

The Group has entered into a number of partnerships to support the growth of the Group. The partnerships consist of lead partnerships, online partnerships and distribution partnerships. Lead partnerships deliver leads to the Group's existing sales channels. As an example, the Group has entered into lead partnership agreements with G4S Security Services A/S, the Danish Diabetes Association and Sydbank A/S. Online partnerships makes it possible for the Group to connect its products with the partners' digital universe. As an example, the Group has entered into online partnership agreements with Atlantis Rejser ApS and Wash World ApS. Further, the Group has entered into distribution partnerships with partners who has a distribution channel enabling the Group to sell its products as white label products, i.e. selling the Group's products under another brand and as sponsored products. As an example, the Group has entered into distribution partnerships with Volkswagen Semler Finans Danmark A/S and Willis Insurance Agency.

6.6.2 Private

The private customer segment comprises the Group's sales of insurance to private households through own sales channels.

The Group has implemented numerous operational and structural initiatives focused on enhancing profitability in relation to its private customer segment which continued in 2021 with price increases for a number of private customers whose risk was not correctly reflected in the price.

As an example of such initiatives, the Group has recently developed digital solutions that give customers access to online self-service and purchase of insurance, e.g., via distribution partners' digital customer platforms. Generic digital solutions such as these bring agility and opportunities to enter into new distribution partnerships and forms.

Competition is intense for some specific non-life insurance products. In 2021, the vehicle insurance product was under pressure due to competitive pricing in the market. As customers typically prefer to hold all insurance policies with one insurance company, this has a negative follow-on effect on other insurance products as well. Mid 2021, the Group reacted with price adjustments across the vehicle insurance products to ensure a continued competitive value proposition. Particularly in the rapidly rising market for electric and hybrid cars, it was necessary to adjust tariff prices to meet the increased demand and changed risk picture for this type of vehicles.

Premium income decreased by 1.6% in 2021 compared to an increase of 2.5% in 2020. Throughout 2021, a number of initiatives were implemented to increase customer inflow and reduce customer departures including pricing initiatives and product adjustments. In the second part of 2021, the total premium income increased and was consequently end-2021 marginally higher than end-2020.

6.6.3 Commercial

The commercial customer segment comprises the Group's sales to agricultural and commercial customers through own sales channels and partnerships. Of the total portfolio, 48% of the commercial customer products and services are serviced through customer service centres, 29% are serviced through tied agents and 23% are serviced through brokers, all based on numbers for the financial year 2021.

Premium income was in 2021 increased by 3.9% compared to an increase of 1.5% in 2020. The commercial customer segment had in 2021 increased focus on growth and had on the basis of an increased collaboration between sale and premium together with a more data driven follow-up on sales increased sales to new customers. In addition, the premium for especially workers' compensation had been adjusted to ensure a satisfactory balance between premium and risks. This is in continuation of the changed practice with Arbejdsmarkedets Erhvervssikring which led to increased claims.

6.7 Significant changes impacting the Group's operations and principal activities

On 1 October 2020, the Issuer and Sydbank A/S entered into a conditional share purchase agreement regarding the sale of the entire share capital of Alm. Brand Bank A/S (now Syd ABB A/S). Simultaneously, Sydbank A/S entered into agreements on acquiring the Issuer's receivables under two senior non-preferred capital instruments issued by Alm. Brand Bank A/S (now Syd ABB A/S) and the Association's receivable under a tier 2 capital instrument issued by Alm. Brand Bank A/S (now Syd ABB A/S). In addition to the agreements on sale of shares and capital instruments, the parties agreed to enter into the partnership agreement. The sale of Alm. Brand Bank A/S (now Syd ABB A/S) was completed at 95% of the net asset value and freed up capital of DKK 1.2 billion. The closing conditions applicable to the share purchase agreement were met 30 November 2020. The Group agreed to provide certain transitional services to Sydbank A/S for an interim period after closing to ensure that the business of Alm. Brand Bank A/S (now Syd ABB A/S) was able to continue to run substantially in the same manner as before closing of the transaction.

On 11 June 2021, the Issuer entered into an agreement regarding the Acquisition, see Part I, section 5 – "The Acquisition" for a description of the Acquisition.

On 1 March 2022, Alm. Brand Forsikring A/S sold the entire share capital of Alm. Brand Liv og Pension, which distributed the Group's life insurance products, including its fully owned subsidiary, Alm. Brand Ejendomsinvest A/S, to Nordic I&P DK ApS.

On 2 December 2021, the Offering of 1,387,026,000 new shares pursuant to the prospectus dated 8 November 2021 was registered with the Danish Business Authority and consequently the Company's registered share capital was increased to nominally DKK 1,541,140,000 divided into 1,541,140,000 shares with a nominal value of DKK 1 each. Admission to trading and official listing of the new shares under the existing ISIN code, DK0015250344, took place 3 December 2021. The net proceeds (gross proceeds after deduction of estimated expenses payable by Alm. Brand) amounted to approximately DKK 10.24 billion.

6.8 Investments

Each legal entity in the Group has its own individualised investment portfolio and strategy. The investments of Alm. Brand Forsikring A/S are divided in a hedging portfolio matching liabilities and free funds investments.

The Group's investment portfolios are managed in accordance with the Group's investment policies and guidelines. In addition to the Group's overall investment policy, there is a specific policy on

responsible investments and on active ownership. The Group's investment policies are divided into policies and guidelines applicable to each of the Issuer and Alm. Brand Forsikring A/S.

The total market value of the Group's investment portfolio was DKK 22.3 billion as of 31 December 2021, consisting of Alm. Brand Forsikring A/S of DKK 9.5 billion and the Issuer of DKK 12.8 billion.

In the financial year ending 31 December 2021, the Group's investment result after interest and price adjustment on technical provisions was a gain of DKK 36 million, against a gain of DKK 33 million in 2020.

6.9 Underwriting and pricing

Alm. Brand Forsikring A/S manages underwriting and pricing risks through its underwriting strategy, reinsurance arrangements and claims handling. The underwriting strategy aims to ensure that risks are fully understood and priced at the appropriate profit level. In addition, Alm Brand Forsikring A/S seeks diversification of underwriting risks in terms of type, industry and geography, and appropriate reinsurance purchases, in order to manage earnings volatility.

The risk appetite for Alm Brand Forsikring A/S is limited to risks in Denmark and is mainly considered low. Most of the portfolio in the commercial customer segment is agriculture and small- to mid-sized companies in Denmark. Only very limited content insurance risks are located outside of Denmark.

Based on principles set out in the Issuer's policies adopted by the Board of Directors, management forums, which examines underwriting and claims issues, reviews and agrees underwriting direction and sets out guidelines, frameworks and directives where appropriate.

6.10 Reinsurance

The purpose of the Group's reinsurance programme is to ensure that a single loss event or a random accumulation of large losses does not lead to an unacceptable loss of capital and, moreover, the purpose is to reduce fluctuations in technical results. Reinsurance cover is taken out across the Group. The Group's reinsurance programme requires that the Group's reinsurers have at least an 'A-' ('A minus') according to Standard & Poor's or A.M. Best. This requirement has in a very limited number of cases been waived by the Board of Directors. In order to limit the Group's credit risks, the reinsurance programme is spread across a stable panel of reinsurers.

6.11 Credit ratings

On 23 September 2021, the Issuer announced that the international credit rating agency Fitch Ratings has rated Alm. Brand Forsikring A/S and the Issuer for the first time. Fitch Ratings assigned Alm. Brand Forsikring A/S an insurance financial strength rating (IFSR) of 'A+' and assigned the Issuer a long-term issuer default rating (IDR) of 'A'. Both ratings are assigned a 'stable outlook' reflecting Fitch Ratings' expectation that the rating will remain at the level assigned in the short to medium term.

On 4 October 2021, Fitch Ratings assigned the Notes a BBB rating.

All ratings pertaining to the Issuer and the Notes are available on the Issuer's website <https://investorrelations.almbrand.dk/English/risk-and-solvency/>.

For the risks pertaining to the ratings, please see "Risk Factors", 3.3 – "Credit ratings may not reflect all risks and a downgrade or a potential downgrade in the Group's and/or Codan Denmark's and, following completion of the Acquisition, the Enlarged Group's credit or financial strength ratings could affect their standing in the market and may decrease premiums and earnings, which may adversely affect their liquidity or capital position, or the cost of raising capital or cause them to incur additional financing obligations".

6.12 Legal and regulatory proceedings

As part of its ordinary course of business, the Group is and will from time to time be involved in discussions, disputes and legal proceedings, including claims relating to i.e., commercial counterparties, employees, intellectual property infringement or violations and other business-related disputes.

The results of such disputes and legal proceedings may be hard to predict, and the Group's assessment of the relevant disputes and proceedings may change as they unfold. The Group expenses legal fees as incurred and records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An unfavourable outcome to any material legal matter may result in damages being awarded, injunctions and/or termination of the Group's products, all of which could have financial implications exceeding any provisions made and therefore have an adverse effect on the Group's business, operating results, cash flow and financial position.

On 7 July 2021 the Danish FSA reported the Group and Codan Denmark, together with a number of other Danish insurance companies, to the Danish police for not providing insurance cover for certain treatments related to pregnancy, and the Group and Codan Denmark were charged in October 2021. In January 2022, Alm. Brand accepted a fine of DKK 450,000 and Codan accepted a fine of DKK 600,000.

Further, the Issuer has investigated a potential leakage of inside information by a person related to the Issuer and has reported the matter to the Danish FSA for further investigation. The relevant person is no longer related to the Group, and the Issuer considers the matter as closed for the Issuer.

The Group is a party to various legal regulatory inspections arising in the ordinary course of business from the Danish FSA. The Danish FSA initiated a routine inspection of Alm. Brand Forsikring A/S in April 2021. Based on the inspection, the Danish FSA issued the following orders to Alm. Brand Forsikring A/S in October 2021: (i) certain specific internal policies and guidelines shall be adopted in accordance with applicable governance requirements, (ii) the remuneration policy shall be updated to reflect Alm. Brand Forsikring A/S' pension policy and use of single bonuses below DKK 100,000, (iii) Alm. Brand Forsikring A/S' ORSA-report shall cover the entire strategic planning period, (iv) the effectiveness of the compliance function must be ensured, (v) two specific outsourcing agreements must be amended to fully comply with applicable outsourcing regulation, and (vi) the capital plan shall be updated to ensure it covers the risks which Alm. Brand Forsikring A/S may

be exposed to in accordance with its strategy. The Danish FSA did not have comments to central matters such as provisions, capital, solvency or investments. In February 2022, the Danish FSA confirmed that Alm. Brand Forsikring A/S has sufficiently implemented the orders.

As of the Prospectus Date, the Group is not otherwise, and during the previous 12 months has not otherwise been, involved in any material governmental, legal or arbitration proceeding which may have or have had in the recent past significant effects on the Group's financial position or profitability. Further, to the Management's knowledge, no such proceedings are otherwise threatened as of the Prospectus Date.

7. RISK MANAGEMENT

This description of the Group's risk management contains a number of observations, judgments and estimates, especially in relation to the most material risks of the Group which are based on the Management's estimates and assessments. Investors should read this section in conjunction with more detailed information contained in the Prospectus, including the risk factors included in section "Risk Factors".

7.1 Introduction

As a non-life insurance undertakings group, the Group is in the business of actively seeking risk with a view to adding value by managing it. The Group's risk management involves the assessment of a large number of risks affecting its activities.

The table below provides a sensitivity analysis as of 31 December 2020, and 31 December 2021 of the most significant risks to which the Group is exposed. The order of the risk factors is not an indication of the size or importance of each risk factor.

Table no. 2 – Sensitivity information for the Group as of 31 December 2020 and 31 December 2021 (risk on shareholders' equity in case of specific events)

<u>(DKKm)</u>	<u>2021</u>	<u>2020</u>
Interest rate increase of 1 percentage point	-116	-188
Interest rate fall of 1 percentage point	57	45
Equity price fall of 15%	-62	-62
Fall in property prices of 15%	-43	-7
Currency risk excl. EUR 25% decline	-51	-77
Spread widening of 1 percentage point	-234	-278
Catastrophe events:		
- one "100-year events"	-101	-95
- two "100-year events"	-280	-226

The objective of risk management in the Group is to ensure that the risks assumed at any given time are calculated and reflect the business units' business strategy, risk profile and capital resources. This is achieved through identification, measurement via e.g., stress scenarios, active management, and continuous monitoring of both actual and potential risks which the business units are exposed to during the strategy period.

At least once annually, the Board of Directors and the board of directors of each individual subsidiary determines the Issuer's overall policy for assuming risk and sets up the overall risk guidelines as well as the scope of the reporting requirements. The boards of directors perform an ongoing assessment of the individual and aggregate risks in the relevant companies and in that connection determine whether the risks are acceptable. Based on a mandate from the board of directors, the executive board of the relevant company determines the day-to-day risk management.

The Group has among others a group-wide risk management policy which sets the overall risk tolerance for the Group and a group-wide internal control policy in place which sets out the internal control framework and governance.

7.2 Key functions and risk governance

The Executive Management has appointed a person responsible for each of the compliance, actuarial and risk management functions. The internal audit function is handled by the internal audit team, and the person responsible for the function is appointed by the board of directors.

The Group has several committees ensuring that material issues are addressed in a uniform manner across the Group. The Group's central risk forum is a risk committee which serves to ensure advice, coordination and uniformity in the Group companies with respect to accepting, calculating and reporting risk.

The Group's risk management is organised into three lines of defence:

- The first line of defence is defined as the operative management.
- The second line of defence is defined as functions which are organised independently of the operative management and which monitors and reports on risk, including validation of the applied risk management methods and models.
- The third line of defence is defined as functions which are organised independently of the managing director and the Group's directors and of the performance of the tasks in the first and second lines of defence. In the Group, the third line of defence consists of the department of the internal auditor and the internal auditing function.

7.3 Non-life insurance

The primary risks, and the management hereof, related to the Group's business are the following:

Insurance Risk

Insurance risk consists primarily of premium risks (the risk of claims expenses and costs exceeding premium income), claims provision risks (the risk of provisions being too low relative to the ultimate cost of the loss) and catastrophe risks (the cost of extreme events).

The greatest single risks in Alm. Brand Forsikring A/S are natural disasters, for which the company's risk is assessed using the partial internal model and a number of scenarios based on portfolio exposure and on a calculated probability.

Health insurance risk

Health insurance risks arises as a result of the Group's writing of workers' compensation and personal accident insurance. These policies all give rise to both premium, claims provision and catastrophe risks.

Market risk

The management of market risk is intended to ensure achievement of an optimum return without putting the total capital of the Group at risk of significant deterioration due to financial market developments or financial difficulties of individual issuers.

The asset allocation of the Group reflects its focus on stable returns and low investment risk. The investment assets of the Group are predominantly placed in interest-bearing assets, most of which are Danish mortgage bonds with a high credit rating. The average duration is between two and three years.

Counterparty risks

This type of risk arises when a counterparty in a financial agreement fails to meet its obligations. Counterparty risk is broken down into two types in the solvency calculation. Type 1 counterparty risk covers exposure to large financial enterprises, for instance due to reinsurance agreements or financial contracts. Type 2 counterparty risk covers the risk that insurance customers or insurance brokers fail to pay what they owe to the Group.

Other risks

Other risks are liquidity risk that is very limited because premiums in Alm. Brand Forsikring A/S are pre-paid. Non-life insurance is under the greatest liquidity pressure after a weather-related event but may procure liquidity within a short period by selling assets.

7.4 Examples of other general risks

Operational risk arises as a result of inexpedient or faulty internal procedures, human or system errors or as a result of external events, including legal risks. The Group has a number of control procedures in the form of work routines, business procedures and reconciliation processes, performed locally and centrally throughout the organisation. The scope of control measures is assessed against the expenses they involve. Security measures are assessed relative to potential threats and their assessed probability of occurrence as well as the potential business consequences, should such threats materialise.

Strategic risks arise due to inexpedient business decisions, insufficient implementation of business initiatives or slow response to the challenges facing the Group. The Group's strategy has been prepared by the Management on the basis of a structured process and in cooperation with the board of directors, executive management and other managerial groups of each company in the Group.

Regulatory risks play an increasingly large role for the general public as well as for the Group, and non-compliance is becoming an increasingly important factor – also for customers. For instance, this applies to the EU rules under Solvency II, the GDPR and Danish delegated legislation. The regulatory and strategic risks are monitored and assessed on an ongoing basis, but they are typically not directly measurable.

8. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

8.1 Overview

In compliance with Danish legislation, the Issuer has a two-tier management system consisting of the Board of Directors and the Executive Management. The two management bodies are separate and have no overlapping members. No information concerning specific key employees of the Issuer or the Group is included in the Prospectus.

8.2 Board of Directors

The Board of Directors is responsible for the overall strategic management of the Issuer and the Group and it supervises the Issuer's and the Group's activities, Executive Management and organization. The Issuer is subject to the supervision of the Danish FSA.

There is an ongoing dialogue between the Board of Directors and the Executive Management, and the Executive Management reports to the Board of Directors according to defined guidelines. Further, the Board of Directors appoints and dismisses the members of the Executive Management.

As at the Prospectus Date, the Board of Directors consists of eight members elected by the shareholders at the general meeting and three members elected by the employees. Of the 11 board members, six are male and five are female. Three board members Pia Laub, Karen Sofie Hansen-Hoeck and Anette Eberhard are deemed to be independent as they do not serve on the board of directors of the Issuer's principal shareholder, the Association. The rest of the board members are not considered independent due to their relation and their positions as members of the board of directors of the Association.

In accordance with the Articles of Association, the shareholders represented at the general meeting shall elect between three and 12 members of the Board of Directors. The members of the Board of Directors elected by the general meeting are elected for a term of one year and may be re-elected. The Board of Directors elects its chairman ("Chairman") and its deputy chairman ("Deputy Chairman").

The Board of Directors constitutes a quorum when more than half of its members, including the Chairman or the Deputy Chairman, are represented. Resolutions made by the Board of Directors are passed by a simple majority of votes. In case of an equality of votes, the Chairman's vote is decisive.

On 12 July 2021, the Issuer announced changes to the Board of Directors whereby Tina Schmidt Madsen was appointed as a board member (alternate) as a consequence of one of the board member's resignation.

The current members of the Board of Directors and Executive Management operate from the Issuer's address on Midtermolen 7, Postboks 2687, DK 2100 København Ø.

The following table presents an overview of the current composition of the Board of Directors:

Table no. 3 – Board of Directors

Name:	Position:	Independency¹:	Year of first appointment:	Expiration of term:
Jørgen Hesselbjerg Mikkelsen	Chairman	Not independent	1994	2022
Jan Skytte Pedersen	Deputy chairman	Not independent	2010	2022
Karen Sofie Hansen-Hoeck	Board member	Independent	2013	2022
Boris Nørgaard Kjeldsen	Board member	Not independent	2003	2022
Anette Eberhard	Board member	Independent	2015	2022
Per Viggo Hasling Frandsen	Board member	Not independent	2009	2022
Pia Laub	Board member	Independent	2020	2022
Tina Keith Schmidt Madsen	Board member	Not independent	2021	2022
Lotte Kathrine Sørensen	Board member ²	Not independent	2020	2022
Claus Nexø Jensen	Board member ²	Not independent	2018	2022
Brian Egested	Board member ²	Not independent	2014	2022

¹ Independency assessment is made by the Board of Directors based on the Corporate Governance Recommendations. Board members listed as "not independent" above are considered non-independent due to their relation and their positions as members of the board of directors of the Issuer's major shareholder, the Association.

² Employee elected members.

8.2.1 Biographies

Other than as presented below, none of the members of the Board of Directors has been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside the Issuer within the past five years.

Jørgen Hesselbjerg Mikkelsen (born in 1954, Danish nationality) has been chairman of the Board of Directors since 2009 and the Association since 2010. Jørgen Hesselbjerg Mikkelsen is currently chairman of the board of directors of DANISH AGRO A.M.B.A and DANISH AGRO FINANCE A/S, deputy chairman of the board of directors of DAN AGRO HOLDING A/S and member of the board of directors of SJÆLLANDSKE MEDIER A/S, HESSELBJERG AGRO A/S, LANDBRUG & FØDEVARER F.M.B.A., DV INTERNATIONAL HOLDING A/S, VILOMIX INTERNATIONAL HOLDING A/S, DAVA FOODS HOLDING A/S, Danish Agro Machinery Holding A/S and DanHatch Holding A/S. Further, Jørgen Hesselbjerg Mikkelsen is a member of the executive management of JHM HOLDING 2010 ApS. In the past five years, Jørgen Hesselbjerg Mikkelsen has previously been a member of the board of directors of DA SHOPPEN A/S (chairman), DanPiglet A/S, FORSIKRINGSSELSKABET ALM. BRAND LIV OG PENSION A/S, Syd ABB A/S (former Alm. Brand Bank A/S) (chairman), SJÆLLANDSKE MEDIER A/S (substitute), ALM. BRAND FORSIKRING A/S, DANISH

AGRO BYGGECEENTER A/S (chairman), Danish Agro Trading A/S (deputy chairman). Jørgen Hesselbjerg Mikkelsen has experience in general management and from the Group's customer segments. Further, Jørgen Hesselbjerg Mikkelsen has experience in audit and accounting matters and insight into financial matters and economic matters. In addition, Jørgen Hesselbjerg Mikkelsen has experience in risk management, solvency statement and investments, including merger and acquisitions and integration processes related thereto. Jørgen Hesselbjerg Mikkelsen holds a farmer education.

Jan Skytte Pedersen (born in 1956, Danish nationality) has been deputy chairman of the Board of Directors and the Association since 2016. Jan Skytte Pedersen is currently member of the board of directors of RINGVEJENS AUTOLAKERERI A/S, HERM. RASMUSSEN A/S MALERFORRETNING, HERM. RASMUSSEN A/S ERHVERVSEJENDOMME MALERFIRMAET FR. NIELSEN OG SØN. SKANDERBORG. AKTIESELSKAB, HERM. RASMUSSEN A/S HOLDING, Ejendomsselskabet Lysbroengen P/S, Rederiet Viking P/S and Søfronten Herning P/S, Silkeborg Fodbold College, Fabrikant Michael Sørensens Fond and Alm. Brand Fond. Further, Jan Skytte Pedersen is currently member of the executive management of MALERFIRMAET FR. NIELSEN OG SØN. SKANDERBORG. AKTIESELSKAB, HERM. RASMUSSEN A/S HOLDING and MFP Holding, Silkeborg ApS. In the past five years, Jan Skytte Pedersen has previously been a member of the board of directors of FORSIKRINGSSSELSKABET ALM. BRAND LIV OG PENSION A/S, SILKEBORG IF INVEST A/S, Syd ABB A/S (former Alm. Brand Bank A/S) (chairman and board member), ALM. BRAND FORSIKRING A/S, Eniig a.m.b.a. (chairman and deputy chairman), K/S PAPIRFABRIKKEN and Eniig Holding A/S (deputy chairman). Jan Skytte Pedersen has experience in general management and from the Group's customer segments. Further, Jan Skytte Pedersen has experience in audit and accounting matters and insight into financial matters and economic matters. Finally, Jan Skytte Pedersen has experience in risk management, solvency statement and investments and has a background in banking.

Tina Keith Schmidt Madsen (born in 1968, Danish nationality) has been a member of the Board of Directors and in the Association since July 2021. Tina Keith Schmidt Madsen is currently a member of the board of directors of the Association. Further, Tina Keith Schmidt Madsen is a member of the executive management of TSM Holding ApS, SCHMIDT ADVICER ApS, SCHMIDT EJENDOMME ApS and SCHMIDT INVEST ApS. In the past five years, Tina Keith Schmidt Madsen has previously been a member of the executive management in Schmidt Invest 2 ApS. Tina Keith Schmidt Madsen has experience in strategic management and planning, mergers and acquisitions, financial management, purchasing, negotiation, organisational development, production management and rationalisation and board work, and holds a Cand.Oecon from Aarhus University.

Karen Sofie Hansen-Hoeck (born in 1965, Danish nationality) has been a member of the Board of Directors since 2013. Karen Sofie Hansen-Hoeck is currently chairman of the board of directors of MADKULTUREN, deputy chairman of the board of directors of DABA – Danish-African Business Organisation, and member of the board of directors of Søstrene Grenes Import A/S, DANSKE SPIL A/S, FAIRTRADE MÆRKET DANMARK FONDEN, SOFTLINE A/S, FødevarerBanken and Connecting Food Holding ApS. Further, Karen Sofie Hansen-Hoeck is currently member of the executive management of Producters ApS and Connecting Food Holding ApS (chief executive officer). In the past five years, Karen Sofie Hansen-Hoeck has previously been a member of the board of directors of GOOD FOOD GROUP A/S, Sirius Home A/S, GREEN FOOD HOLDING A/S, ALFRED

PEDERSEN & SØN ApS, MUP EJENDOMME A/S and Scandinavian Cannabis A/S and a member of the executive management (CEO) of Fooducer ApS and Retail Network ApS. Karen Sofie Hansen-Hoeck has experience in general management and from the Group's customer segments. Further, Karen Sofie Hansen-Hoeck has experience in marketing, sustainability, business development, legal matters, economic matters, financial matters and competencies in IT matters and digitalization. Karen Sofie Hansen-Hoeck holds a retail leadership & management education from Salling Group and an Executive Leadership Masterclass from Copenhagen Business School.

Boris Nørgaard Kjeldsen (born in 1959, Danish nationality) has been a member of the Board of Directors and the Association since 2016. Boris Nørgaard Kjeldsen is currently chairman of the board of directors of KEMP & LAURITZEN A/S, and member of the board of directors of AG Gruppen A/S, AG Development A/S, ØRESTAD SYD A/S, AG Construction A/S, BENNY JOHANSEN & SØNNER A/S, DAVISTA K/S, AMAGER ERHVERVSFORENING A/S, AMAGER STRANDVEJ 100 A/S, Ørestad Syd 2015 A/S and AG Investments A/S. In the past five years, Boris Nørgaard Kjeldsen has previously been a member of the board of directors of FORSIKRINGSELSELSKABET ALM. BRAND LIV OG PENSION A/S, Syd ABB A/S (former Alm. Brand Bank A/S) (deputy chairman and board member), ALM. BRAND FORSIKRING A/S, DAVISTA KOMPLEMENTARSELSELSKAB A/S, DAVISTA K/S, Newsec Property Asset Management Denmark A/S, RÅDHUSPLADSEN ApS and Aarhus Syd Ejendomme ApS (chairman), and member of the executive management of DADES A/S (chief executive officer), DAVISTA KOMPLEMENTARSELSELSKAB A/S, RÅDHUSPLADSEN ApS (chief executive officer), DAVISTA K/S, SOEBORG EJENDOMME ApS (chief executive officer), Snedkerhaven Hvidovre ApS (chief executive officer), Fisketorvet 2 Odense ApS (chief executive officer), Slotsengen Hillerød ApS (chief executive officer), Køge Kyst I ApS (chief executive officer), DADES Bolig ApS, Bækkeskovvej ApS, DADES 4 ApS, DADES 2 ApS, DADES 10 ApS, DADES 7 ApS, DADES 9 ApS, DADES 8 ApS, Waves ApS, DADES Center/Box Holding ApS, DADES 5 ApS, DADES 6 ApS, DADES 3 ApS, DADES Erhverv/Bolig Holding ApS, DADES Erhverv ApS, DADES Center Vest ApS, DADES Center Øst ApS and DADES Box ApS, Aarhus Syd Ejendomme ApS (chairman), and member of the executive management of Aarhus Syd Ejendomme ApS (chief executive officer), ApS LS nr. 909 (chief executive officer), Klövern Gammel Kongevej ApS, Glaskuben, Kbh. V ApS, Tuborg Boulevard 1, Hellerup ApS, Helleruphus, Hellerup ApS, Ryesgade – Blegdamsvej, Østerbro ApS, Kobbetårnet, Østerbro ApS, Winghouse, Ørestaden ApS, Lyngbyvej 14-28, Østerbro ApS, Frederikskaj, Kbh. K ApS and Gl. Lundtoftevej 1-9, Lyngby ApS. Boris Nørgaard Kjeldsen has experience in general management and from the Group's customer segments. Further, Boris Nørgaard Kjeldsen has experience in audit and accounting matters and insight into financial matters, legal matters, economic matters and general insight into IT matters. Finally, Boris Nørgaard Kjeldsen has experience in risk management, solvency statement and investments and holds a Master of Laws and is authorised attorney-at-law.

Anette Eberhard (born in 1961, Danish nationality) has been a member of the Board of Directors and chairman of audit and risk committee since 2015. Anette Eberhard is currently deputy chairman of the board of directors in IFU, Investment Fund For Developing Countries and a member of the executive management of IIP Denmark GP ApS (former PKA AIP A/S), IIP Denmark P/S (Managing Partner and CEO), PKA Private Funds III GP ApS and PKA Private Funds IV GP ApS and SEEKEE ApS. In the past five years, Anette Eberhard has previously been a member of the board of directors of FORSIKRINGSELSELSKABET ALM. BRAND LIV OG PENSION A/S, Syd ABB A/S (former Alm.

Brand Bank A/S), ALM. BRAND FORSIKRING A/S, PENSIONS KASSEN FOR SUNDHEDSFAGLIGE, SUNDHEDSFAGLIGES EJENDOMS AKTIESELSKAB, and member of the executive management of EKSPORT KREDIT FINANSIERING A/S and EKF Danmarks Eksportkredit. Anette Eberhard has experience in general management and from the Group's customer segments. Further, Anette Eberhard has experience in audit and accounting matters, general insight into economic matters and IT matters. Finally, Anette Eberhard has experience in risk management, investing, solvency statement and holds a Master of Economics.

Per Viggo Hasling Frandsen (born in 1952, Danish nationality) has been a member of the Board of Directors since 2009 and of the Association since 2010. Further, Per Viggo Hasling Frandsen is chairman of the board of directors of SIA Per Frandsen LV (reg. no 50003989721). In the past five years, Per Viggo Hasling Frandsen has previously been a member of the board of directors of FORSIKRINGSSELSKABET ALM. BRAND LIV OG PENSION A/S and ALM. BRAND FORSIKRING A/S. Per Viggo Hasling Frandsen has experience in general management and from the Group's customer segments. Further, Per Viggo Hasling Frandsen has insight into financial matters, economic matters and investments and holds a farmer education.

Pia Laub (born in 1969, Danish nationality) has been a member of the Board of Directors since 2020. Pia Laub is currently member of the board of directors of Det Nationale Sorgcenter, Behandlings-, Videns- og Kompetencecenter S/I and Ny Carlsberg Glyptotek. In the past five years, Pia Laub has previously been a member of the board of directors of FORSIKRINGSSELSKABET ALM. BRAND LIV OG PENSION A/S, ALM. BRAND FORSIKRING A/S, CFC Reinsurance S.A and BORNHOLMS BRANDFORSIKRING A/S (substitute) and member of the executive management of Topdanmark A/S (Executive VP). Pia Laub has experience in general management and from the Group's customer segments. Further, Pia Laub has experience in audit and accounting matters, insight into financial matters, legal matters, economic matters, ESG and general insight into IT matters and digitalisation. Finally, Pia Laub has experience in risk management and solvency statement and holds a BSc in mathematics and economics from Copenhagen Business School and a European Master in Management (EMIM) from ESCP Business School.

Lotte Kathrine Sørensen (born in 1974, Danish nationality) has been a member of the Board of Directors as employee elected member and the Association since 2020. In the past five years, Lotte Kathrine Sørensen has previously been a substitute of the board of directors of the Issuer and the Association. Lotte Kathrine Sørensen has experience from the Group's customer segments and holds a qualification at level 5 from the Insurance Academy (Forsikringsakademiet) and a bachelor's degree in business economics (HA Almen).

Claus Nexø Jensen (born in 1966, Danish nationality) has been a member of the Board of Directors as employee elected member and the Association since 2018. Further, Claus Nexø Jensen is currently chairman of the board of directors of Assurandørforeningen i Alm. Brand (the labour union for insurers in the Issuer), deputy chairman of Finansforbundet Assurandørerne and a member of the board of directors of Alm. Brand Fond. Claus Nexø Jensen has experience from the Group's customer segments and management experience within the travel industry and holds a Bachelor of Commerce in Marketing and has a diploma in non-life insurance within the commercial and farmer customer segment and a diploma in life insurance and pension.

Brian Egested (born in 1969, Danish nationality) has been a member of the Board of Directors as employee elected member and the Association since 2014. Brian Egested is currently chief executive officer of Egested Holding ApS and member of the executive management of MonKeyBo Group ApS. Brian Egested has experience from the Group's customer segments and in general management and holds a Master of Business Administration.

8.3 Executive Management

The Executive Management is appointed by the Board of Directors and is responsible for the day-to-day management. As at the Prospectus Date, the Executive Management is composed of one member being the chief executive officer ("CEO") of the Issuer.

Table no. 4 – Executive Management

Name:	Position:	Year of first appointment in the Issuer:	Year of appointment of current position
Rasmus Werner Nielsen	CEO	2019	2019

8.3.1 Biography

Other than as presented below, the CEO has not been a member of the administrative, management or supervisory bodies of a company or a partnership or been a partner in a partnership outside the Issuer within the past five years.

Rasmus Werner Nielsen (born in 1969, Danish nationality) has been CEO of the Issuer since 2019, where he took on the position as interim CEO of the Issuer. In June 2020 the position was made permanent when Rasmus Werner Nielsen was appointed as CEO by the Board of Directors of the Issuer. Rasmus Werner Nielsen was chief financial officer (CFO) in the Issuer in 2017-2019. Rasmus Werner Nielsen is currently chairman of the board of directors of FORSIKRINGSSELSKABET ALM. BRAND LIV OG PENSION A/S, ALM. BRAND FORSIKRING A/S, ALM. BRAND PRÆMIESERVICE A/S, PENSIONSKASSEN UNDER ALM. BRAND A/S (PENSIONSAFVIKLINGSKASSE), ALM. BRAND EJENDOMSINVEST A/S and Alm. Brand PIA A/S. Further, Rasmus Werner Nielsen is currently member of the executive management of the Association (chief executive officer). In the past five years, Rasmus Werner Nielsen has previously been a member of the board of directors of Forsikringsorganisationernes Fællessekretariat F.M.B.A, FORSIKRINGSSELSKABET ALM. BRAND LIV OG PENSION A/S (as board member and as deputy chairman), FORSIKRING & PENSION, FIONIA ASSET COMPANY A/S, Syd ABB A/S (former Alm. Brand Bank A/S), ALM. BRAND FORSIKRING A/S (chairman, deputy chairman and board member) ALM. BRAND PRÆMIESERVICE A/S, PENSIONSKASSEN UNDER ALM. BRAND A/S (PENSIONSAFVIKLINGSKASSE) (substitute), Nordea Danmark, Filial af Nordea Bank Abp, Finland (branch office manager), ALM. BRAND EJENDOMSINVEST A/S, EJENDOMSSELSKABET VESTRE STATIONSVEJ 7, ODENSE A/S, NJK1 ApS and EJENDOMSSELSKABET AB ApS and member of the executive management of ALM. BRAND FORSIKRING A/S. Rasmus Werner Nielsen has experience in finance and business control from the banking industry and in tax/VAT, legal and management reporting. Further, Rasmus Werner Nielsen has experience in audit primarily within financial institutions, investment funds, insurance companies (life and non-life business) and

telecom. Rasmus Werner Nielsen holds a Master of Science (M.Sc.) in Auditing, Accounting & Business Administration from Copenhagen Business School.

8.4 Conflicts of interest

Statement on conflicts of interest

Jørgen Hesselbjerg Mikkelsen, Jan Skytte Pedersen, Tina Keith Schmidt Madsen, Boris Nørgaard Kjeldsen, Per Viggo Hasling Frandsen, Lotte Kathrine Sørensen, Claus Nexø Jensen and Brian Egested are considered as not independent board members due to their positions as board members of the Association. The Issuer is not aware of any other member of the Board of Directors or the Executive Management having been appointed to their current position pursuant to any arrangement or understanding with major shareholders, customers, suppliers or other parties.

No actual or potential conflicts of interest exist between any of the duties of the members of the Board of Directors and the Executive Management and their private interests or other duties, it being noted that Jørgen Hesselbjerg Mikkelsen is chairman of the board of directors of the Association, and Jan Skytte Pedersen is deputy chairman of the board of directors of the Association. Further, Tina Keith Schmidt Madsen, Boris Nørgaard Kjeldsen, Per Viggo Hasling Frandsen, Lotte Kathrine Sørensen, Claus Nexø Jensen and Brian Egested are all members of the board of directors of the Association. Finally, Rasmus Werner Nielsen is chief executive officer of the Association.

None of the members of the Board of Directors or the Executive Management have positions in other companies which could result in a conflict of interest vis-à-vis such companies, either because the Group has an equity interest in such company or because the Issuer or the Group have an ongoing business relationship, except for the members of the board of directors of the Association as outlined above. However, the Group may do business in the ordinary course with companies in which members of the Board of Directors or the Executive Management hold positions as directors or officers. Other than in relation to the Association, no material engagements exist between the Issuer/Group and entities where a member of the Board of Directors/Executive Management hold positions.

Restrictions on securities trading

A share-based remuneration programme offered to the Executive Management was established with effect from 1 July 2016. The award of shares by way of share-based remuneration took place in the months of June and December 2020, respectively. Further, the Issuer announced on 7 July 2021 that the Issuer has entered into an agreement with the Executive Management and other members of the Group's extended management under which up to 10% of the fixed salary may be allotted by way of Shares in accordance with the Group's remuneration policy and general guidelines. Shares are awarded twice annually. The agreement on share-based remuneration applies until 31 March 2022.

No restrictions apply in relation to the member of the Board of Directors' and the Executive Management's holding of Shares in the Issuer.

9. SHAREHOLDERS

Pursuant to Section 38 of the Danish Capital Markets Act and Section 55 of the Danish Companies Act, the only major shareholder of the Issuer as at the Prospectus Date is the Association with an ownership interest of approximately 46.7% of the Issuer's share capital corresponding to 719,308,966 Shares and voting rights in the Issuer. The Issuer does not have any specific measures to ensure that the control of its majority shareholder, the Association, is not abused.

The Association is an "association with limited liability" under Danish law in the form of a "fmba". As such, the Association does not have shareholders but instead members with certain rights as stated in the Association's articles of association. The Association's history is closely tied to the history of the Issuer and dates back to 1792. The Association aims to support the Group's position as a large financial group in the Danish market. The Association, like other shareholders, focuses on the Issuer being operated on a profitable basis, where the activities are continuously optimized so that the Group provides a satisfactory return.

The Issuer has as at the Prospectus Date not received any further notifications of holdings of 5% or more of the Issuer's share capital or voting rights.

The Issuer does not have knowledge of any arrangements, the operations of which may at a subsequent date result in a change of control of the Issuer.

10. ADDITIONAL INFORMATION

10.1 Financial statements

The information explicitly listed in the table below has been incorporated by reference into this Prospectus pursuant to Article 19 of the Prospectus Regulation. Non-incorporated parts of the documents incorporated by reference are either not deemed relevant for investors in the Notes or are covered elsewhere in this Prospectus. Direct and indirect references in the documents included in the table below to other documents or websites are not incorporated by reference and do not form part of this Prospectus. The documents speak only for the period in which they are in effect and have not been updated for purposes of this Prospectus. Potential investors should assume that the information in this Prospectus as well as the information incorporated by reference herein is accurate only in the period in which they are in effect.

The information incorporated by reference into this Prospectus is exclusively set out in the cross-reference table below and is available on the Issuer's website <https://investorrelations.almbrand.dk/English/financials-and-presentations>.

Table no. 5 – Information incorporated by reference

	Pages
Document/information	
2021 Consolidated Financial Statements	
Management Statement	39
Independent auditors' report	40-43
Income statement	44
Balance sheet	46-47
Consolidated financial statements including notes	53-118
2020 Consolidated Financial Statements	
Management Statement	44
Independent auditors' report	45-48
Income statement	49
Balance sheet	51
Consolidated financial statements including notes	59-129

10.2 Capital structure of the Group

The Group's total capital was DKK 14,373 million at 31 December 2021, consisting of equity, tier 2 capital, hereunder the Notes, and the Solvency II capital elements profit margin and risk margin. The total capital is stated after deduction of a dividend of DKK 0.30 per share, equivalent to DKK 462 million.

As of 31 December 2021, the Group's total capital consists of the following capital tiers:

Table no. 6 – The Group's total capital as of 31 December 2021

	mDKK
Tier 1 capital	13,827
Tier 2 capital	526
Tier 3 deferred tax	20
Total capital of the Group	14,373

The capital tiers are defined in Solvency II and the Danish Financial Business Act. For further information about the Group's capital, please see the 2021 Consolidated Financial Statements.

10.3 No material adverse change and no significant change

Save as disclosed in this Prospectus, since 31 December 2021, (a) there has been no material adverse change in the prospects of the Group, (b) there has been no significant change in the financial performance of financial position of the Group, and (c) no events particular to the Group have occurred which are to a material extent relevant to an evaluation of, respectively, the Group's solvency.

11. MATERIAL CONTRACTS

There are no contracts (other than those entered into in the ordinary course of business) to which the Issuer or a company within the Group is a party which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Noteholders in respect of the Notes. However, if the Acquisition is not completed, it may affect the Issuer's ability to satisfy and fulfil its obligations under the Notes, see also "Risk Factors", 1 – "Risks Relating to the Acquisition". The Group is a party to the following contracts which are material in the context of the Acquisition:

11.1 Summary of material contracts relating to the Acquisition

11.1.1 Share Purchase Agreement

On 11 June 2021, the Issuer announced that it had entered into the Share Purchase Agreement with the Seller, Intact and Tryg subject to and in accordance with the terms and conditions of which, the Issuer has agreed to buy, and the Seller has agreed to sell the shares in Chopin NewCo A/S (now: Chopin Forsikring) at completion of the Acquisition. For further information, please refer to Part I, section 5 – "The Acquisition".

The Seller has given various customary fundamental and business representations and warranties to the Issuer. Such representations and warranties are given, among others, on capacity to enter into the Share Purchase Agreement, title to shares, duly incorporation, no insolvency, compliance with applicable laws, accounts, tax matters, title to assets, terms of key employees, terms and validity of material contracts, IPR and IT related matters, loyal disclosure and other usual representations and warranties given by sellers in similar transactions. In this respect, the Issuer has taken out customary warranty and indemnity insurance which provides coverage for losses arising from a breach of those seller's warranties, subject to a limit of DKK 2.5 billion and various customary and deal specific exclusions.

11.1.2 Transitional Services Agreements

TSA1

With the purpose of ensuring business continuity in the ordinary course hereof without unnecessary interruptions, RSA and Codan Forsikring entered into TSA1 on 1 June 2021. In accordance with the terms of TSA1, RSA will continue to support Codan Forsikring within the areas of Marine, Claims, Reinsurance, Underwriting, Finance, IT, Reward and Risk & Compliance, including the Norwegian and Swedish branch of Codan Forsikring. Codan Forsikring will in turn provide services to RSA in relation to IT, Claims, Capital Management & Reserving and Finance.

Under TSA1, Intact will manage the day-to-day operations of Codan DK Business, while Tryg Forsikring A/S will manage the day-to-day operations of the Trygg-Hansa and Codan Norway. This structure is enabled and governed by the Interim Governance Agreement entered into by Codan Forsikring A/S, Codan A/S, Tryg Forsikring A/S and Intact Financial Corporation, as well as the Outsourcing Agreement entered into by Codan Forsikring and Tryg Forsikring A/S.

At the date of the Demerger, RSA and Codan Forsikring will transfer TSA1 to Chopin NewCo A/S (now: Chopin Forsikring), and RSA shall continue to provide the TSA1 services that are required post-Demerger, including services required for the performance of TSA2. TSA1 are expected to be in force until 1 March 2023.

The terms of TSA1 provide, in the Issuer's opinion, a reasonable service standard, possible extensions of service terms, including in terms of identified requirements from applicable law, omitted services, change of management, customary warranties, and termination regulation. In the Issuer's opinion, the terms of TSA1 are customary and market conform.

TSA2

In addition to replacing Codan Forsikring in TSA1 in terms of the Codan DK Business, on the date of Demerger, Chopin NewCo A/S (now: Chopin Forsikring) also entered into TSA2 with Tryg Forsikring A/S.

TSA2 with schedules has been disclosed to the Group. Under TSA2, Chopin Forsikring will provide services to Tryg Forsikring A/S as of the date of Demerger to ensure business continuity in the ordinary course hereof without unnecessary interruptions. The scope of such services include IT, Finance, Reinsurance, Legal, Risk & Compliance, HR, Procurement and Facilities and Underwriting and will for the majority of services be pass-through TSA1 services. Additionally, services may also be delivered under TSA2 from Tryg Forsikring A/S to Chopin Forsikring. TSA2 initiated on the date of Demerger. The majority of services are expected to terminate earlier than 24 months after Demerger. However, TSA2 do allow for limited extension of service.

12. DOCUMENTS AVAILABLE FOR INSPECTION

For the term of the Prospectus, the following documents can be inspected on the Issuer's website:
<https://investor.almbrand.dk>:

- The Issuer's Memorandum of Association and Articles of Association
- The 2021 Consolidated Financial Statements
- The 2020 Consolidated Financial Statements
- The Prospectus

The information on the Issuer's website does not form part of this Prospectus, is not incorporated by reference into this Prospectus, unless specifically stated in Part I, section 10.1 – "Additional information" – "Financial statements" and has not been scrutinised or approved by the Danish FSA, unless otherwise specifically stated herein.

II. THE NOTES

13. USE OF PROCEEDS

13.1 The Notes

An amount equal to the proceeds from the issuance of the Notes, being approximately DKK 1,296 million, has been applied by the Issuer for general corporate purposes, to further strengthen the regulatory solvency of the Issuer and to finance the Acquisition.

13.2 Expenses related to the admission to trading

The total expenses related to the admission to trading and official listing of the Notes on Nasdaq Copenhagen are estimated by the Issuer to be approximately EUR 5,000.

14. TERMS AND CONDITIONS OF THE NOTES

1. The Notes

The DKK 1,300,000,000 Floating Rate Subordinated Callable Tier 2 Capital Notes (*kapitalbeviser*) (the "**Notes**") are issued by Alm. Brand A/S, CVR no. 77333517 (the "**Issuer**"). The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer on 28 September 2021 and a resolution of the Board of Directors of the Issuer on 12 October 2021. A VP agency agreement dated 12 October 2021 (as amended or supplemented from time to time, the "**VP Agency Agreement**") has been entered into in relation to the Notes between the Issuer and Danske Bank A/S (in the Terms and Conditions dated 14 October 2021, Nordea Bank Abp is stated by a manifest and minor error) as agent (the "**VP Agent**"). A tri-partite agreement dated 29 September 2021 (as amended or supplemented from time to time) has been entered into in relation to the Notes between the Issuer, the VP Agent and VP Securities A/S, the Danish central securities depository (the "**Securities Depository**"). The Notes will be created and held in uncertificated book entry form in accounts with the Securities Depository. The VP Agent will act as agent of the Issuer in respect of all dealings with the Securities Depository in respect of the Notes.

References to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs of these terms and conditions. Certain defined terms are set out in Condition 19 (*Defined terms*).

2. Form, Specified Denomination and Title

The Notes are issued in uncertificated book entry form and in the denomination(s) of DKK 1,000,000.

Each Note in the Securities Depository will be registered with a minimum settlement unit of DKK 1,000,000 meaning that the Notes can only be traded in portions having an aggregate nominal amount of DKK 1,000,000 or, if greater, an even multiple of DKK 1,000,000.

Title to the Notes shall pass by registration at the Securities Depository in accordance with the rules and procedures for the time being of the Securities Depository. The holder of a Note (each a "**Noteholder**") will be the person evidenced as such by a book entry in the records of the Securities Depository. Where a nominee is so evidenced, it shall be treated by the Issuer as Noteholder.

3. Transfer of Notes

The Notes will be transferable only in accordance with the rules and procedures for the time being of the Securities Depository and Danish law.

4. Status of the Notes

- 4.1 The Notes on issue are intended to constitute Tier 2 Capital of the Issuer and the Group under the Relevant Rules.
- 4.2 The Notes constitute direct, unsecured and subordinated obligations of the Issuer, and shall at all times rank:

- (a) senior to payments to holders of present or future outstanding Junior Obligations of the Issuer;
- (b) *pari passu* without any preference among themselves;
- (c) *pari passu* with payments to holders of present or future outstanding Parity Obligations of the Issuer;
- (d) junior to payments to holders of present or future outstanding Tier 3 Capital of the Issuer; and
- (e) junior to payments to holders of present or future claims of (i) all policyholders and beneficiaries and any other unsubordinated creditors of the Issuer and (ii) creditors in respect of any other obligations or instruments of the Issuer that rank or are expressed or required in accordance with the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital) to rank senior to the Notes.

4.3 By acceptance of the Notes, each Noteholder will be deemed to have waived any right of set-off or counterclaim that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes whether prior to or in bankruptcy (*konkurs*) or liquidation (*likvidation*).

5. Interest

5.1 Interest Rate

5.1.1 The interest rate in respect of the Notes for each Interest Period (the "**Interest Rate**") shall be the rate per annum which is the aggregate of:

- (a) the Screen Rate; and
- (b) the Margin

provided that the Interest Rate cannot in any event be less than zero.

5.1.2 If the Screen Rate is unavailable without being due to a Screen Rate Termination Event, the VP Agent will request each of the Reference Banks to provide the VP Agent with:

- (a) (other than where paragraph (b) below applies) the rate at which the relevant Reference Bank is willing to lend amounts in DKK for three months without collateral to other banks active on the Danish money market; or
- (b) if different, the rate (if any and applied to the relevant Reference Bank and the relevant period) which contributors to the Screen Rate are asked to submit to the relevant administrator,

in each case at approximately 11.00 a.m. (Copenhagen time) on the second Business Day prior to the start of each Interest Period.

5.1.3 If at least two of the Reference Banks provide such rates, the Interest Rate shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) as established by the VP Agent of such rates, plus the Margin. If fewer than two rates are provided as requested, the Interest Rate for that Interest Period will be the arithmetic mean

of the rates quoted by major banks in Denmark selected by the VP Agent, at approximately 11.00 a.m. (Copenhagen time) on the first day of such Interest Period for loans in DKK to leading Danish banks for a period of three months commencing on the first day of such Interest Period and for an amount that is representative for a single transaction in the relevant market at the relevant time, plus the Margin.

- 5.1.4 If the Interest Rate cannot be determined in accordance with the above provisions, the Interest Rate shall be the Interest Rate applicable to the preceding Interest Period, all as determined by the VP Agent.
- 5.2 Each Note bears interest on its Outstanding Principal Amount at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.
- 5.3 Subject to Condition 8 (*Deferral of Interest Payments*), interest shall be payable on the Notes quarterly in arrear on each Interest Payment Date, in each case as provided in this Condition 5.
- 5.4 In respect of each Interest Period, the amount of interest payable shall be equal to the product of the Outstanding Principal Amount and the Interest Rate and the Day Count Fraction.
- 5.5 The Interest Payment to each Noteholder shall be rounded to the nearest øre (half an øre being rounded upwards).
- 5.6 In these Conditions, "**Day Count Fraction**" means, in respect of any relevant period, the actual number of days in the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due divided by 360.

6. Interest Accrual

Without prejudice to Condition 8 (*Deferral of Interest Payments*), interest shall cease to accrue on each Note from (and including) the date of redemption thereof pursuant to Condition 9 (*Redemption, substitution and purchase*) unless payment is improperly withheld or refused, in which event interest shall continue to accrue.

6.1 Determination of the Interest Rate

Subject as provided in Condition 5.1 (*Interest Rate*), the VP Agent will, as soon as practicable after 11:00 a.m. (Copenhagen time) on the second Business Day prior to the start of each Interest Period, determine the applicable Interest Rate in respect of such Interest Period and calculate the relevant Interest Payment.

6.2 Publication of the Interest Rate

The Issuer shall cause notice of the Interest Rate to be given to the Noteholders in accordance with Condition 15 (*Notices*) as soon as reasonably practicable after the determination of such Interest Rate in accordance with Condition 6.1 (*Determination of the Interest Rate*) and in any event no later than the commencement of the relevant Interest Period.

6.3 Determinations of Interest Rate binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, by the VP Agent and the Issuer, shall (in the absence of manifest error) be binding on the Issuer, the VP Agent and all Noteholders and (in the absence of wilful misconduct and gross negligence) no liability to the Noteholders shall attach to the Issuer or the VP Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

7. Screen Rate Termination Event

- 7.1 If a Screen Rate Termination Event occurs, the Issuer shall appoint an Independent Advisor, as soon as reasonably practicable, with a view to the Independent Advisor determining a Successor Screen Rate or, if there is no Successor Screen Rate, an Alternative Screen Rate and, in either case, an Adjustment Spread and any Screen Rate Termination Amendments.
- 7.2 In making any determination pursuant to this Condition 7, the Issuer and the Independent Advisor shall act in good faith and in a commercially reasonable manner. In the absence of wilful misconduct and gross negligence, no liability to the Issuer, Noteholders or the VP Agent shall attach to the Independent Advisor in connection with making any determination pursuant to this Condition 7.
- 7.3 If (i) the Issuer is unable to appoint an Independent Advisor; or (ii) the Independent Advisor fails to determine a Successor Screen Rate or an Alternative Screen Rate in accordance with this Condition 7 prior to the date which is ten (10) Business Days prior to the second Business Day prior to the first day of the relevant Interest Period, the Issuer (acting in good faith) may determine a Successor Screen Rate or, if there is no Successor Screen Rate, an Alternative Screen Rate, to constitute the Screen Rate for the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in this Condition 7.
- 7.4 If the Independent Advisor determines that:
- (a) there is a Successor Screen Rate, then such Successor Screen Rate and the applicable Adjustment Spread shall subsequently be used in place of the Screen Rate to determine the Interest Rate for all future payments of interest on the Notes from the end of the Interest Period in which the Screen Rate Termination Event occurs and onwards (subject to the operation of this Condition 7); or
 - (b) there is no Successor Screen Rate but there is an Alternative Screen Rate, then such Alternative Screen Rate and the applicable Adjustment Spread shall subsequently be used in place of the Screen Rate to determine the Interest Rate for all future payments of interest on the Notes from the end of the Interest Period in which the Screen Rate Termination Event occurs and onwards (subject to the operation of this Condition 7).
- 7.5 If any Successor Screen Rate or Alternative Screen Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 7 and the Independent

Advisor determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Screen Rate or Alternative Screen Rate and, in either case, the applicable Adjustment Spread or in order to follow market practice (such amendments, the "**Screen Rate Termination Amendments**") and (ii) the terms of the Screen Rate Termination Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 15 (*Notices*), without any requirement for the consent or approval of the Noteholders, vary these Conditions to give effect to such Screen Rate Termination Amendments with effect from the date specified in such notice.

- 7.6 Any Successor Screen Rate, Alternative Screen Rate, Adjustment Spread and the specific terms of any Screen Rate Termination Amendments will be notified promptly and in any event at least ten (10) Business Days prior to the second Business Day prior to the first day of the first Interest Period to which they will apply by the Issuer to the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Successor Screen Rate or the Alternative Screen Rate and the Adjustment Spread and the Screen Rate Termination Amendments, if any.
- 7.7 No later than notifying the Noteholders of the same, the Issuer shall deliver to the Noteholders a certificate signed by an authorised signatory of the Issuer:
- (a) confirming (i) that a Screen Rate Termination Event has occurred, (ii) the Successor Screen Rate or, as the case may be, the Alternative Screen Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Screen Rate Termination Amendments (if any), in each case as determined in accordance with the provisions of this Condition 7; and
 - (b) certifying that the Screen Rate Termination Amendments (if any) are necessary to ensure the proper operation of such Successor Screen Rate or Alternative Screen Rate and (in either case) the applicable Adjustment Spread.
- 7.8 The Successor Screen Rate or Alternative Screen Rate and the Adjustment Spread and the Screen Rate Termination Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Screen Rate or the Alternative Screen Rate and the Adjustment Spread and the Screen Rate Termination Amendments (if any)) be binding on the Issuer and the Noteholders.

8. Deferral of Interest Payments

8.1 Mandatory Deferral of Interest

Notwithstanding Condition 5.3, the Issuer shall on any Mandatory Interest Deferral Date by notice to the Noteholders (together with a certificate signed by authorised signatories of the Issuer confirming the relevant Interest Payment Date is a Mandatory Interest Deferral Date) defer payment of all (but not only some) of the interest accrued but unpaid to that date.

8.2 Payment of Arrears of Interest

Any interest not paid on a Mandatory Interest Deferral Date ("**Arrears of Interest**") may at the option of the Issuer, be paid in whole or in part at the next Interest Payment Date which is not a

Mandatory Interest Deferral Date, and shall, subject to prior approval from the Relevant Regulator (to the extent required under the Relevant Rules), be paid in whole on a date which is not a Mandatory Interest Deferral Date at the earliest of:

- (a) the date of any redemption of the Notes in accordance with the Conditions;
- (b) the date of a bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer; or
- (c) the date on which the Issuer pays any distribution or bonus, interest payment or makes any payment (including payment in relation to redemption or repurchase) on or in respect of any Junior Obligations or Parity Obligations, or the date on which any dividend or other distribution on or payment (including payment in relation to redemption or repurchase) on or in respect of the Issuer's share capital is paid, unless the terms governing such Junior Obligations or Parity Obligations do not allow the Issuer to defer the relevant interest or other distribution otherwise payable or to be declared.

8.3 Interest will not accrue on Arrears of Interest

8.4 An Interest Payment Date shall not be a Mandatory Interest Deferral Date if:

- (a) the Issuer has remedied the Capital Requirement Breach prior to such Interest Payment Date and no such Capital Requirement Breach will occur as a result of the Interest Payment; or
- (b) (i) the Relevant Regulator has exceptionally waived the deferral of interest payments, (ii) such Interest Payment does not further weaken the solvency position of the Issuer, and (iii) the Minimum Capital Requirement is complied with after the Interest Payment is made.

8.5 The term "deferral of interest" shall in these Conditions be understood in accordance with the Relevant Rules.

9. Redemption, substitution and purchase

9.1 Scheduled redemption

Subject to Condition 9.2 (*Conditions to redemption and purchase*), unless previously redeemed or purchased and cancelled, the Notes will on the Maturity Date be redeemed in whole but not in part at their Outstanding Principal Amount together with Arrears of Interest (if any) and any other accrued interest up to (but excluding) the Maturity Date.

9.2 Conditions to redemption and purchase

To the extent required pursuant to the Relevant Rules, and save as otherwise permitted pursuant to Condition 9.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by the Relevant Regulator*), the Issuer may not redeem or purchase any Notes unless each of the following conditions is satisfied:

- (a) in respect of any redemption or purchase of the Notes pursuant to Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*) or Condition 9.8 (*Redemption or*

substitution at the option of the Issuer due to a Capital Disqualification Event) occurring on or before the fifth (5th) anniversary of the Issue Date:

- A. the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement will be exceeded by an appropriate margin immediately after such redemption or purchase and
 - i. in the case of any such redemption or purchase of the Notes pursuant to Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*), the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Issue Date; or
 - ii. in the case of any such redemption or purchase of the Notes pursuant to Condition 9.8 (*Redemption or substitution at the option of the Issuer due to a Capital Disqualification Event*), the Relevant Regulator considers that the relevant change in the regulatory classification of the Notes is sufficiently certain and the Issuer has demonstrated to the satisfaction of the Relevant Regulator that such change was not reasonably foreseeable as at the Issue Date; or
- B. such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 2 Capital of the same or a higher quality than the Notes;
- (b) the relevant date of any redemption or purchase of the Notes pursuant to Condition 9.9 (*Redemption or substitution at the option of the Issuer due to a Rating Agency Event*) or Condition 9.11 (*Purchases*) is after the fifth (5th) anniversary of the Issue Date unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 2 Capital of the same or a higher quality than the Notes;
- (c) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached;
- (d) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement to be breached;
- (e) no Insolvent Insurer Winding-up has occurred and is continuing;
- (f) the Regulatory Clearance Condition is satisfied; and
- (g) any other requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital) have been complied with (and shall continue to be complied with following the proposed redemption or purchase),

the conditions set out in paragraphs (a) to (g) (inclusive) above being the "**Redemption and Purchase Conditions**".

9.3 Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by the Relevant Regulator

Notwithstanding Condition 9.2 (*Conditions to redemption and purchase*), the Issuer shall be entitled to redeem the Notes (to the extent permitted by the Relevant Rules) where:

- (a) all Redemption and Purchase Conditions are met other than that described in paragraph (a) of Condition 9.2 (*Conditions to redemption and purchase*);
- (b) the Relevant Regulator has exceptionally waived the cancellation of redemption of the Notes;
- (c) all (but not some only) of the Notes are exchanged for a new issue of Tier 1 Capital or Tier 2 Capital of the same or higher quality under the Relevant Rules than the Notes; and
- (d) the Minimum Capital Requirement will be complied with immediately following such redemption, if made.

9.4 Suspension of redemption

The Issuer shall notify the Noteholders in accordance with Condition 15 (*Notices*) no later than five (5) Business Days prior to any date set for redemption of the Notes if such redemption is to be suspended in accordance with this Condition 9.4, provided that if an event occurs less than five (5) Business Days prior to the date set for redemption that results in the Redemption and Purchase Conditions ceasing to be met, the Issuer shall notify the Noteholders in accordance with Condition 15 (*Notices*) as soon as reasonably practicable following the occurrence of such event.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 9.6 (*Redemption at the option of the Issuer*), Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*), Condition 9.8 (*Redemption or substitution at the option of the Issuer due to a Capital Disqualification Event*), or Condition 9.9 (*Redemption or substitution at the option of the Issuer due to a Rating Agency Event*) as a result of the operation of Condition 9.2 (*Conditions to redemption and purchase*), the Issuer shall redeem such Notes at their then Outstanding Principal Amount together with any accrued and unpaid interest, upon the earlier of:

- (a) the date falling ten (10) Business Days after the date on which the Redemption and Purchase Conditions are met or redemption of the Notes is otherwise permitted pursuant to Condition 9.3 (*Waiver of Redemption and Purchase Condition relating to Solvency Capital Requirement by the Relevant Regulator*) (unless on such tenth (10th) Business Day redemption of the Notes on such date would result in the Redemption and Purchase Conditions ceasing to be met, in which case the provisions of Condition 9.2 (*Conditions to redemption and purchase*)) and this paragraph (a) of this Condition 9.4 will apply *mutatis mutandis* to determine the rescheduled due date for redemption of the Notes); or
- (b) the date on which an effective resolution is passed for a liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer.

The Issuer shall notify the Noteholders in accordance with Condition 15 (*Notices*) no later than five (5) Business Days prior to any such date set for redemption pursuant to (a) or (b) above.

9.5 Suspension of redemption not a default

Notwithstanding any other provision in these Conditions, the suspension of redemption of the Notes in accordance with Condition 9.2 (*Conditions to redemption and purchase*) and Condition 9.4 (*Suspension of redemption*) will not constitute a default by the Issuer and will not give the Noteholders any right to accelerate the Notes or take any enforcement action under the Notes such that amounts of principal, interest or Arrears of Interest would become due and payable on the Notes earlier than otherwise scheduled under these Conditions.

9.6 Redemption at the option of the Issuer

Provided that the Redemption and Purchase Conditions are met, the Issuer may, having given:

- (a) not less than fifteen (15) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 15 (*Notices*) (which notice shall (save as provided in Condition 9.13 below) be irrevocable and shall specify the date fixed for redemption); and
- (b) notice to the VP Agent on the earlier of (i) not less than three (3) days before the giving of the notice referred to in (a) and (ii) not less than thirty (30) days before the date fixed for redemption,

redeem all (but not some only) of the Notes, on the First Call Date or on any Interest Payment Date thereafter at their Outstanding Principal Amount together with any accrued and unpaid interest to (but excluding) the date of redemption.

9.7 Redemption or substitution at the option of the Issuer for taxation reasons

Provided that the Redemption and Purchase Conditions are met, and subject to Condition 9.10 (*Preconditions to redemption or substitution for taxation reasons, a Capital Disqualification Event or a Rating Agency Event*), if:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction (a "**Tax Event**"), which change or amendment becomes effective after the Issue Date, on the next Interest Payment Date either: (i) the Issuer would be required to pay Additional Amounts; or (ii) the payment of interest would no longer be deductible for Danish tax purposes; and
- (b) the effect of the foregoing cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option (without any requirement for the consent or approval of the Noteholders) and having given not less than fifteen (15) nor more than sixty (60) days' notice in writing to the VP Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall (save as provided in Condition 9.13 below) be irrevocable) either (at its sole discretion):

- (a) redeem all (but not some only) of the Notes, on any Interest Payment Date at their Outstanding Principal Amount together with any accrued and unpaid interest to (but excluding) the date of redemption and any Arrears of Interest; or
- (b) substitute at any time all (but not some only) of the Notes for or amend or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Notes.

9.8 Redemption or substitution at the option of the Issuer due to a Capital Disqualification Event

- (a) Provided that the Redemption and Purchase Conditions are met, and subject to Condition 9.10 (*Preconditions to redemption or substitution for taxation reasons, a Capital Disqualification Event or a Rating Agency Event*), if at any time a Capital Disqualification Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or official interpretation of, any applicable law, regulation or other official publication, a Capital Disqualification Event will occur within the forthcoming period of six (6) months, then the Issuer may, having given not less than fifteen (15) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 15 (*Notices*), and the VP Agent in writing, which notice must be given during the Notice Period and shall (save as provided in Condition 9.13 (*Notices Final*)) be irrevocable, either (at its sole discretion):
 - (i) redeem all (but not some only) of the Notes on any Interest Payment Date at their Outstanding Principal Amount outstanding together with any accrued and unpaid interest to (but excluding) the date of redemption and any Arrears of Interest; or
 - (ii) substitute at any time all (but not some only) of the Notes for or amend or vary the terms of the Notes so that they become or remain, Qualifying Tier 2 Notes.
- (b) For the purposes of this Condition 9.8, "**Notice Period**" means the period commencing on the date on which the relevant Capital Disqualification Event first occurs (or, as applicable, the date on which the Issuer certifies that the same will occur within a period of six (6) months) and ending on the thirtieth (30th) calendar day following satisfaction of the Regulatory Clearance Condition in respect of the redemption or substitution which is the subject of the notice to which the Notice Period relates.

9.9 Redemption or substitution at the option of the Issuer due to a Rating Agency Event

Provided that the Redemption and Purchase Conditions are met, and subject to Condition 9.10 (*Preconditions to redemption or substitution for taxation reasons, a Capital Disqualification Event or a Rating Agency Event*), if at any time a Rating Agency Event has occurred and is continuing, or, as a result of any change in, or amendment to, or any change in the application or interpretation of, the methodology of the Rating Agency, a Rating Agency Event will occur within the forthcoming period of six months, the Issuer may, having given not less than fifteen (15) nor more sixty (60) Business Days' notice to the Noteholders in accordance with Condition 15 (*Notices*), and the VP Agent in writing, which notice must be given during the Notice Period and shall (save as provided in Condition 9.13 (*Notices final*)) be irrevocable, either (at its sole discretion):

- (i) redeem all (but not some only) of the Notes on any Interest Payment Date at their Outstanding Principal Amount together with any accrued and unpaid interest to (but excluding) the date of redemption and any Arrears of Interest; or
- (ii) substitute at any time all (but not some only) of the Notes for or amend or vary the terms of the Notes so that they become or remain Rating Agency Compliant Notes.

For the purposes of this Condition 9.9, "**Notice Period**" means the period commencing on the date on which the relevant Rating Agency Event first occurs (or, as applicable, the date on which the Issuer certifies that the same will occur within a period of six (6) months) and ending on the thirtieth (30th) calendar day following satisfaction of the Regulatory Clearance Condition in respect of the redemption or substitution which is the subject of the notice to which the Notice Period relates.

9.10 Preconditions to redemption or substitution for taxation reasons, a Capital Disqualification Event or a Rating Agency Event

Prior to the publication of any notice of redemption or substitution pursuant to Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*), Condition 9.8 (*Redemption or substitution at the option of the Issuer due to a Capital Disqualification Event*) or Condition 9.9 (*Redemption or substitution at the option of the Issuer due to a Rating Agency Event*), the Issuer shall deliver a certificate signed by two authorised signatories stating that, as the case may be, a Tax Event, a Capital Disqualification Event or a Rating Agency Event has occurred and is continuing as at the date of the certificate or, as the case may be (in the case of a Capital Disqualification Event or a Rating Agency Event), will occur within a period of six (6) months and that it would have been reasonable for the Issuer to conclude, judged at the Issue Date, that such Tax Event, Capital Disqualification Event or Rating Agency Event was unlikely to occur.

The Issuer shall not be entitled to amend or otherwise vary the terms of the Notes or substitute the Notes unless:

- (a) it has notified the Relevant Regulator in writing of its intention to do so not less than one (1) month (or such other period as may be required by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital)) prior to the date on which such amendment or substitution is to become effective; and
- (b) the Regulatory Clearance Condition has been satisfied in respect of such proposed amendment or substitution.

9.11 Purchases

The Issuer and any of its Subsidiaries may at any time purchase or procure others to purchase for its own account Notes in any manner and at any price subject to the Redemption and Purchase Conditions being met prior to, and at the time of, such purchase.

9.12 Cancellations

All Notes redeemed or substituted by the Issuer pursuant to this Condition 9, and all Notes purchased pursuant to Condition 9.11 (*Purchases*) may be held, reissued, resold or, at the option of

the Issuer, cancelled when the Issuer holds title to them. The Notes shall be cancelled by causing such Notes to be deleted of the records of the Securities Depository so that the cancelled Note may not be reissued or resold, and subsequently the Issuer has no obligations in respect of the cancelled Notes.

9.13 Notices final

Subject and without prejudice to Condition 9.2 (*Conditions to redemption and purchase*) and Condition 9.4 (*Suspension of redemption*), any notice of redemption as is referred to in Condition 9.6 (*Redemption at the option of the Issuer*), Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*), Condition 9.8 (*Redemption or substitution at the option of the Issuer due to a Capital Disqualification Event*) or Condition 9.9 (*Redemption or substitution at the option of the Issuer due to a Rating Agency Event*) above shall be irrevocable and on the redemption date specified in such notice, the Issuer shall be bound to redeem, or as the case may be, amend, vary or substitute, the Notes in accordance with the terms of the relevant Condition.

10. Payments

10.1 Payments in respect of the Notes

Payments of principal and interest in respect of the Notes will be made to the Noteholders shown in the relevant records of the Securities Depository in accordance with and subject to the rules and regulations from time to time governing the Securities Depository.

10.2 Payment on Business Days

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated on the Business Day preceding the due date for payment. If the date for payment of any amount in respect of any Note is not a Business Day, the holder of such Note shall not be entitled to payment until the next following Business Day and shall not be entitled to further interest or other payment in respect of such delay.

11. VP Agent

11.1 In acting under the VP Agency Agreement and in connection with the Notes, the VP Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. The Issuer reserves the right at any time to vary or terminate the appointment of the VP Agent and to appoint a successor and additional or successor agent in respect of its dealings with the Securities Depository.

11.2 There will at all times be a VP Agent authorised to act as an account holding institution with the Securities Depository. Notice of any change in the VP Agent or in its specified office shall promptly be given to the Noteholders in accordance with Condition 15 (*Notices*).

12. Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten (10) years (in the case of principal) or three (3) years (in the case of interest) from the appropriate Relevant Date in respect of them.

13. Taxation

13.1 Payment without withholding

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Relevant Jurisdiction unless the withholding or deduction of the Taxes is required by law. In any such event, the Issuer will pay such additional amounts in respect of Interest Payments but not in respect of any payments of principal ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received in respect of the Notes in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note:

- (a) the holder of which is liable to the Taxes in respect of the Note by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (b) in circumstances where such withholding or deduction would not be required if the Noteholder or any person acting on its behalf had obtained and/or presented any form or certificate or had made a declaration of non-residence or similar claim for exemption to the relevant tax authority upon the making of which the Noteholder would have been able to avoid such withholding or deduction; or
- (c) where a claim for payment is made by the Noteholder more than thirty (30) days after the Relevant Date except to the extent that a Noteholder would have been entitled to Additional Amounts on claiming payment on the last day of the period of thirty (30) days assuming (whether or not such is in fact the case) that day to have been a Business Day.

13.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 13.

14. Enforcement

- 14.1 There are no events of default in respect of the Notes. No Noteholder shall be entitled at any time to file for bankruptcy (*konkurs*) or liquidation (*likvidation*) of the Issuer.
- 14.2 If an order is made or an effective resolution is passed for the bankruptcy or liquidation of the Issuer (an "**Enforcement Event**"), the Noteholders may prove or claim in such proceedings in respect of the Notes, such claim being for payment of the Outstanding Principal Amount of the

Notes at the time of commencement of such bankruptcy or liquidation of the Issuer together with interest accrued from (and including) the Interest Payment Date immediately preceding the occurrence of such Enforcement Event and any other amounts payable in respect of the Notes (including any damages payable in respect thereof). Such claim shall rank as provided for in Condition 4 (*Status of the Notes*).

15. Notices

- 15.1 The Issuer shall ensure that notices to the Noteholders are given in accordance with the procedures of the Securities Depository and that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.
- 15.2 Any such notices to the Noteholders will be deemed to have been given on the date it is published in accordance with the procedures of the Securities Depository or, if so published more than once or on different dates, on the date of the first publication.
- 15.3 Notices to be given by a Noteholder to the Issuer may be given by such holder through the Securities Depository or by registered mail to the specified office of the Issuer with a copy to the VP Agent.

16. Meetings of Noteholders, modification, waiver and authorisation

16.1 Meeting of Noteholders

A meeting of Noteholders shall, subject to the Conditions of the Notes and, if applicable, to the satisfaction of the Regulatory Clearance Condition, have power by Extraordinary Resolution:

- (a) to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer, whether or not those rights arise under the Notes;
- (b) to sanction the substitution of the Notes for other obligations or securities of the Issuer or any other entity;
- (c) to assent to any modification of the Notes or the Conditions of the Notes proposed by the Issuer;
- (d) to authorize anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
- (e) to give any authority, direction or sanction required to be given by Extraordinary Resolution; and/or
- (f) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Notes or the Conditions of the Notes.

16.2 Convening meetings of Noteholders

The Issuer may at any time convene a meeting of the Noteholders and shall convene such a meeting if required in writing by Noteholders holding Notes in principal amount equal to at least 10 per cent of the total Outstanding Principal Amount.

The meeting shall be called by the Issuer in accordance with Condition 15 (*Notices*) by giving at least eight (8) days' but not more than thirty (30) days' notice to the Noteholders.

The Issuer shall call the meeting no later than fourteen (14) days after having received request to convene a meeting from the relevant Noteholders containing the subject of such meeting. If the Issuer does not call the meeting within the deadline, the Noteholders shall be entitled to call the meeting.

The notice of a Noteholders' meeting shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies.

All meetings shall be held at the Issuer's registered address or in the Greater Copenhagen Area (*Storkøbenhavn*).

16.3 Attendance

At the meeting, each Noteholder must document its holdings of Notes by presenting a custody account statement from the Securities Depository or an authorized institution that is dated no earlier than seven (7) Business Days prior to the meeting, or any other reasonable proof of holding.

The following may attend and speak at a meeting:

- (a) Noteholders and proxies;
- (b) the chairman; and
- (c) the Issuer and the VP Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

16.4 Chairman

The chairman of the meeting shall be such person as the Issuer may nominate or, if no nomination is made, the person elected by the Noteholders present at such meeting.

16.5 Quorum

No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than eight (8) and not more than thirty (30) days later, and at a time and place as the chairman may decide. If a quorum is not

present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than 50 per cent of the Outstanding Principal Amount of the Notes, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, unless the business of such meeting includes consideration of proposals:

- (a) to change any date fixed for payment of interest and/or principal in respect of the Notes, to reduce the amount of interest payable in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption;
- (b) to change the currency of payment of the Notes; or
- (c) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,

in which case the quorum shall be one or more persons holding Notes or representing Noteholders holding Notes in principal amount of not less than two-thirds (2/3) of the Outstanding Principal Amount of the Notes, or at any adjourned such meeting not less than one-third (1/3) of the Outstanding Principal Amount of the Notes.

No resolution may be passed if it is clear that that resolution is likely to give certain Noteholders or others an undue advantage over other Noteholders.

16.6 Voting

Each Noteholder holds one vote in respect of each DKK 1,000,000 of such Note. No voting rights shall attach to Notes held by the Issuer and/or its Subsidiaries and any Notes held by the Issuer and/or its Subsidiaries shall not be deemed to be outstanding for the purposes of determining a quorum at any meeting of Noteholders or for the purposes of Condition 16.5 (*Quorum*).

16.7 Effect and publication of an Extraordinary Resolution

An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify it being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to the Noteholders in accordance with Condition 15 (*Notices*) but failure to do so shall not invalidate the resolution. For the avoidance of doubt, an Extraordinary Resolution passed by the Noteholders shall only be binding on the Issuer where the Issuer has consented to the relevant resolution.

16.8 Minutes

Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have

been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

16.9 Written resolutions

In addition, a resolution in writing signed by or on behalf of 90 per cent of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders and vote on such Notes, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Condition 16.7 (*Effect and publication of an Extraordinary Resolution*) shall apply *mutatis mutandis* to any such written resolutions.

16.10 Modifications

The Issuer and the VP Agent may, without the consent of the Noteholders, agree to any modification to the Notes or the Conditions to correct a formal, minor, technical or manifest error. Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practical thereafter.

17. Admission to trading and listing

- 17.1 The Issuer shall use reasonable efforts to ensure that the Notes are listed and admitted to trading on a Regulated Market on or before six months from the Issue Date.
- 17.2 For the avoidance of doubt, the Noteholders have no right to accelerate the Notes or otherwise request a repayment or repurchase of the Notes if a failure to list or admit to trading the Notes in accordance with this Condition 17 occurs.

18. Governing law and jurisdiction

Disputes arising out of or in connection with these Conditions, which are not resolved amicably, shall be resolved in accordance with Danish law and before the Copenhagen City Court (*Københavns Byret*).

19. Defined terms

Additional Amounts	has the meaning given to such term in Condition 13.1 (<i>Payment without withholding</i>)
Alternative Screen Rate	means an alternative benchmark or screen rate that the Issuer (following consultation with the Independent Advisor) determines has replaced the Screen Rate in customary market usage in the Danish debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of debt securities denominated in DKK and of a comparable duration, or, if the Issuer (following

consultation with the Independent Advisor) determines that there is no such rate, such other rate as the Issuer (following consultation with the Independent Advisor) determines in its discretion is most comparable to the Screen Rate

Adjustment Spread

means a spread which tries to seek to eliminate or minimise any potential transfer of value between the Issuer and the Noteholders and is either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Screen Rate or the Alternative Screen Rate (as the case may be) and is the spread, formula or methodology which is notified to the Noteholders as being:

- (a) in the case of a Successor Screen Rate, formally recommended in relation to the replacement of the Screen Rate with the Successor Screen Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Screen Rate); or
- (b) that which the Independent Advisor (after consultation with the Issuer) determines is customarily applied to the relevant Successor Screen Rate or the Alternative Screen Rate (as the case may be) in international or Danish debt capital markets transactions to produce an industry-accepted replacement rate for the Screen Rate; or
- (c) if the Independent Advisor (after consultation with the Issuer) determines that no such spread is customarily applied, such spread which the Independent Advisor (after consultation with the Issuer) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Screen Rate, where such rate has been replaced by the Successor Screen Rate or the Alternative Screen Rate (as the case may be).

Arrears of Interest	has the meaning given to it in Condition 8.2 (<i>Payment of Arrears of Interest</i>)
Business Day	means a day which is both a day on which commercial banks are open for general business in Copenhagen and the Securities Depository is open for business
a Capital Disqualification Event	is deemed to have occurred if, as a result of any replacement of or change to (or change to the interpretation by the Relevant Regulator or any court or authority entitled to do so of) the Relevant Rules which becomes effective after the Issue Date, the whole or any part of the Notes are no longer capable of counting as Tier 2 Capital for the purposes of the Issuer or the Group, whether on a solo, group or consolidated basis, except where such non-qualification is only as a result of any applicable limitation on the amount of such capital
Capital Requirement Breach	means non-compliance with the applicable capital requirements or solvency requirements from time to time applicable to the Issuer or the Group (as such requirements are defined under the Relevant Rules). For the avoidance of doubt, non-compliance with the Solvency Capital Requirement applicable to the Issuer or the Group or the Minimum Capital Requirement (to the extent applicable, where it occurs before non-compliance with the Solvency Capital Requirement) applicable to the Issuer or the Group, as defined in Solvency II is a Capital Requirement Breach
Conditions	has the meaning given to such term in the preamble to these Conditions
Danish Companies Act	means the Danish Companies Act (<i>selskabsloven</i>), Consolidated Act no. 763 of 23 July 2019 (as amended)
Danish Financial Business Act	means the Danish Financial Business Act (<i>lov om finansiel virksomhed</i>), Consolidated Act no. 1447 of 11 September 2020 (as amended)
Day Count Fraction	has the meaning given to such term in Condition 5.6
DKK, Danish Kroner and Øre	means the lawful currency of Denmark

Enforcement Event	has the meaning given to such term in Condition 14.2
Extraordinary Resolution	means a resolution passed at a meeting of Noteholders (whether originally convened or resumed following an adjournment) duly convened and held in accordance with Condition 16 (<i>Meetings of Noteholders, Modification, Waiver and Authorisation</i>) by a majority of at least 75 per cent of the votes cast
First Call Date	means the first Interest Payment Date falling on or after five (5) years after the Issue Date
Group	means the Issuer and its Subsidiaries
Group Insurance Undertaking	means an insurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Group pursuant to the Relevant Rules
Independent Advisor	means an independent financial institution of repute in the debt capital markets where the Screen Rate is commonly used or another independent financial adviser experienced in the debt capital markets where the Screen Rate is commonly used, in each case appointed by the Issuer at its own expense
Insolvent Insurer Winding-up	means (a) any insolvent liquidation (<i>liquidation</i>) or bankruptcy (<i>konkurs</i>) of any Group Insurance Undertaking or (d) the appointment of an administrator of any Group Insurance Undertaking, in each case where the Issuer has determined, acting reasonably, that all Policyholder Claims of the policyholders or beneficiaries under contracts of insurance of that Group Insurance Undertaking may or will not be met
Interest Payment	means, in respect of any Interest Payment Date, the amount of interest due and payable on such Interest Payment Date
Interest Payment Date	means 14 January, 14 April, 14 July and 14 October in each year, commencing on 14 January 2022, save that if any Interest Payment Date would otherwise fall

	on a day which is not a Business Day it shall be postponed to the next day which is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day
Interest Period	means the period from (and including) one Interest Payment Date (or in the case of the first Interest Period, from the Issue Date) to (but excluding) the next (or in the case of the first Interest Period, the first) Interest Payment Date (or, if earlier, the date on which accrued interest otherwise becomes due and payable pursuant to these Conditions)
Interest Rate	has the meaning given to such term in Condition 5.1 (<i>Interest Rate</i>)
ISIN	means the identification number of the Notes (International Securities Identification Number), being DK0030487806
Issue Date	means 14 October 2021
Issuer	has the meaning given to such term in the preamble to these Conditions
Junior Obligations	means the equity (<i>grundkapital</i>) of the Issuer and any other obligation of the Issuer ranking or expressed to rank junior to the Notes or to Parity Obligations
Mandatory Interest Deferral Date	means an Interest Payment Date where (i) the Issuer is in Capital Requirement Breach, or the Interest Payment would lead to a Capital Requirement Breach or bankruptcy would occur as a result of the Interest Payment, and/or (ii) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital) to defer the relevant Interest Payment
Margin	means 1.50 per cent. per annum
Maturity Date	means 14 October 2031
Minimum Capital Requirement	means the minimum capital requirement of the Issuer, the minimum capital requirement of the Group

	or the Group minimum Solvency Capital Requirement (as applicable) referred to in the Relevant Rules
Noteholder	has the meaning given to such term in Condition 2 (<i>Form, Specified Denomination and Title</i>)
Notes	has the meaning given to such term in the preamble to these Conditions
Parity Obligations	means any obligations of the Issuer ranking or expressed to rank <i>pari passu</i> with the Notes
Policyholder Claims	means claims of policyholders or beneficiaries under contracts of insurance in a winding-up, liquidation or administration of a Group Insurance Undertaking to the extent that those claims relate to any debt to which the Group Insurance Undertaking is, or may become, liable to a policyholder or such a beneficiary pursuant to a contract of insurance, including all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up or administration of insurance companies to reflect any right to receive, or expectation of receiving, benefits which such policyholders or such beneficiaries may have
Outstanding Principal Amount	means in respect of each Note outstanding, DKK 1,000,000, as reduced from time to time by any reduction of the Outstanding Principal Amount pursuant to these Conditions
Qualifying Tier 2 Notes	means securities issued by the Issuer that: (a) have terms not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with a bank or financial advisor of international standing), provided that (without prejudice to the foregoing) they shall: (i) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 2 Capital; (ii) bear at least the same rate of interest from time to time applying to the Notes;

- (iii) have the same currency of payment, denomination, Outstanding Principal Amount as the Notes;
- (iv) not at such time be subject to a Tax Event, a Capital Disqualification Event and/or a Rating Agency Event;
- (v) contain terms providing for the cancellation and/or suspension of payments of interest or principal only if such terms are not materially less favourable to an investor than the cancellation and/or suspension provisions, respectively, contained in these Conditions;
- (vi) rank senior to, or *pari passu* with, the Notes; and
- (vii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption, provided that such Qualifying Tier 2 Notes may not be redeemed by the Issuer prior to the First Call Date (save for redemption on terms analogous with Condition 9.7 (*Redemption or substitution at the option of the Issuer for taxation reasons*), Condition 9.8 (*Redemption or at the option of the Issuer due to a Capital Disqualification Event*) and Condition 9.9 (*Redemption or substitution at the option of the Issuer due to a Rating Agency Event*)).

Rating Agency

means Fitch Ratings Ltd, or any successor thereof

Rating Agency Compliant Notes

means securities issued by the Issuer that are (i) Qualifying Tier 2 Notes, and (ii) assigned by the Rating Agency substantially the same equity content or, at the absolute discretion of the Issuer, a lower equity content (provided such equity content is still higher than the equity content assigned to the Notes after the occurrence of the Rating Agency Event) as that

	which was assigned by the relevant Rating Agency to the Notes on or around the Issue Date
Rating Agency Event	means a change in, or clarification to, the rating methodology of the Rating Agency (or in the interpretation of such methodology) becoming effective on or after the Issue Date as a result of which the equity content assigned by the relevant Rating Agency to the Notes, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, becomes, in the reasonable opinion of the Issuer, less favourable when compared to the equity content assigned by the relevant Rating Agency to the Notes on or around the Issue Date
Redemption and Purchase Conditions	has the meaning given to such term in Condition 9.2 (<i>Conditions to redemption and purchase</i>)
Reference Banks	means the principal Danish office of four major banks engaged in the Copenhagen interbank market as selected by the VP Agent after consultation with the Issuer
Regulated Market	means a regulated market as defined in Article 4(1)(21) of Directive 2014/65/EU (MiFID II)
Regulatory Clearance Conditions	means, in respect of any proposed act on the part of the Issuer, the Relevant Regulator having approved or consented to such act (in any case only if and to the extent required by the Relevant Regulator or the Relevant Rules (on the basis that the Notes are intended to qualify as Tier 2 Capital))
Relevant Date	means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the VP Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 15 (<i>Notices</i>)
Relevant Jurisdiction	means Denmark or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to

	which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes
Relevant Nominating Body	means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Relevant Regulator
Relevant Regulator	means the Danish Financial Supervisory Authority (<i>Finanstilsynet</i>) and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer in accordance with the Relevant Rules
Relevant Rules	means the regulatory capital rules from time to time as applied to the Issuer or the Group (whether having the force of law or otherwise) by the Relevant Regulator, including Solvency II and any legislation, rules or regulations of the Relevant Regulator relating to such matters
Screen Rate	means the Copenhagen Inter-bank Offered Rate (CIBOR) for three-month deposits in Danish Krone which appears on the website of the Danish Financial Benchmark Facility at the webpage https://dfbf.dk/dfbf-benchmarks/rates (or such other page as may replace it on that service or, as the case may be, on such other information service that may replace that service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant rate)
Screen Rate Termination Amendments	has the meaning given to it in Condition 7.5
Screen Rate Termination Event	means: (a) a public statement by the administrator of the Screen Rate that it will cease publishing the Screen Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed);

	(b) a public statement by the Relevant Regulator that the Screen Rate has been or will be permanently or indefinitely discontinued; or (c) it will be unlawful for the Issuer or the VP Agent to use the Screen Rate for any calculation of interest under the Conditions or the Issuer or the VP Agent will be prohibited by the Relevant Regulator from using the Screen Rate
Securities Depository	has the meaning given to such term in the preamble to these Conditions
Solvency Capital Requirement	means the solvency capital requirement for the Issuer and the solvency capital requirement for the Group (as applicable) referred to in, or any other capital requirement howsoever described in the Relevant Rules
Solvency II	means the Solvency II Directive and any implementing measures adopted pursuant to the Solvency II Directive (for the avoidance of doubt, whether implemented by way of regulation, implementing technical standards or by further directives, guidelines published by the European Insurance and Occupational Pensions Authority (or any successor entity) or otherwise) including, without limitation, the Solvency II Regulation
Solvency II Directive	means Directive 2009/138/EC of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (as amended)
Solvency II Regulation	means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking up and pursuit of the business of Insurance and Reinsurance (Solvency II)
Subsidiaries	has the meaning provided to the term "dattervirksomhed" in the Danish Companies Act
Successor Screen Rate	means the rate that the Issuer determines is a successor to or replacement of the Screen Rate which is

	formally recommended by the Danish Central Bank (<i>Danmarks Nationalbank</i>) or the Relevant Regulator
Taxes	has the meaning given to such term in Condition 13.1 (<i>Payment without withholding</i>)
Tax Event	has the meaning given to such term in paragraph (a) of Condition 9.7 (<i>Redemption or substitution at the option of the Issuer for taxation reasons</i>)
Tier 1 Capital	has the meaning given to such term by the Relevant Rules
Tier 2 Capital	has the meaning given to such term by the Relevant Rules
Tier 3 Capital	has the meaning given to such term by the Relevant Rules
VP Agent	has the meaning given to such term in the preamble to these Conditions; and
VP Agency Agreement	has the meaning given to such term in the preamble to these Conditions

15. SUBSCRIPTION AND SALE

15.1 Subscription

The Notes were issued by the Issuer and subscribed by the Noteholders on 14 October 2021 pursuant to a subscription agreement dated 12 October 2021.

The Issuer has paid and/or will pay certain fees to the Manager and reimburse the Manager for certain expenses incurred in connection with the issuance and subsequent admission to trading of the Notes. Furthermore, the Issuer has agreed to indemnify the Manager against certain liabilities they may incur in connection with the offer and sale of the Notes.

15.2 Interests of natural and legal persons involved in the issue and sale of the Notes

Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue and sale of the Notes has an interest material hereto.

From time to time, the Manager and its affiliates has performed, and may be performing or in the future perform, investment banking, commercial banking transactions and advisory services for the Issuer (or other members of the Group) for which they have received, or will receive, customary fees and expenses.

In particular, the Manager has entered into a contractual relationship with the Issuer in connection with the issuance of the Notes.

In addition, in the ordinary course of its business activities, the Manager and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including other members of the Group). If the Manager or its respective affiliates has a lending relationship with the Issuer (or other members of the Group), it may routinely hedge its credit exposure to the Issuer (or that other member of the Group), as applicable, consistent with their customary risk management policies. Typically, the Manager and its respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, potentially including the Notes. Any such short positions could adversely affect future trading prices of the Notes.

The Manager and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities or instruments.

16. SELLING RESTRICTIONS

16.1 General

The Manager has represented and warranted that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses the marketing materials and will obtain any consent, approval or permission required by it for the purchase, offer, sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and the Issuer shall not have any responsibility therefor.

None of the Issuer and the Manager represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

16.2 United States of America

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. The Manager has represented and warranted that it has not offered or sold, and agree that it will not offer or sell, any Notes constituting part of its allotment in the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither the Manager, its affiliates nor any persons acting on its behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes.

The Manager has represented, warranted and undertaken that:

- a) it has not offered or sold, and it will not offer or sell, any Notes constituting part of its allotment in the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 903 of Regulation S under the Securities Act;
- b) neither the Manager, its affiliates nor any persons acting on its behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes; and
- c) the Manager, its affiliates and any persons acting on its behalf have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

The Manager has further represented, warranted and undertaken that, except as permitted by the respective subscription agreement:

- a) it will not offer or sell the Notes within the United States or to, or for the account or benefit of, U.S. persons:
 - i) as part of its distribution at any time; or

- ii) otherwise, until 40 days after the later of the commencement of the offering and the Closing Date (the “**Distribution Compliance Period**”); and
- b) at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells the Notes during the Distribution Compliance Period a confirmation or notice to substantially the following effect:

The securities covered hereby have not been registered under the U.S. Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

16.3 United Kingdom

The Manager has represented and agreed that:

- a) **Prohibition of sales to UK retail investors:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.
- b) **Financial promotion:** It has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- c) **General compliance:** It has complied and will comply with all applicable provisions of the UK Prospectus Regulation (Regulation (EU) 2017/1129 forms part of domestic law

by virtue of the EUWA) and the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

16.4 Denmark

The Manager has represented and agreed that it has not offered or sold and will not offer, sell or deliver the Notes directly or indirectly in Denmark by way of a public offering, unless in compliance with, as applicable, the Prospectus Regulation, the Danish Capital Markets Act and Executive Orders issued thereunder, and in compliance with Executive Order No. 2092 of 14 December 2020 on Investor Protection in connection with Securities Trading, as amended, supplemented or replaced from time to time, issued pursuant to the Danish Financial Business Act.

16.5 Sweden

The Manager has represented and agreed that it will not market or offer the Notes in Sweden in circumstances that are deemed to be an offer to the public in Sweden which would require that a prospectus is approved by the Swedish Financial Supervisory Authority (in Swedish: Finansinspektionen).

For the purposes of this paragraph, the expression "an offer to the public" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

16.6 Prohibition of sales to retail investors in the European Economic Area

The Manager has represented and warranted that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available, the Notes to any retail investor in the European Economic Area.

For the purposes of this paragraph, the expression "an offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and a "Retail Investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.

17. ADDITIONAL INFORMATION

17.1 Advisers

Manager:

Nordea Bank Abp
c/o Nordea Danmark, filial af Nordea Bank Abp, Finland
Grønjordsvej 10
DK-2300 Copenhagen S
Denmark

Legal adviser to the Issuer in connection with the Notes:

Accura Advokatpartnerselskab
Tuborg Boulevard 1
DK-2900 Hellerup
Denmark

Legal adviser to the Manager in connection with the Notes:

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen Ø
Denmark

Auditors to the Issuer as at the Prospectus Date and in relation to the 2021 Consolidated Financial Statements included in this Prospectus:

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg
Denmark

Auditors to the Issuer in relation to the 2020 Consolidated Financial Statements included in this Prospectus:

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen S
Denmark

17.2 Other information audited or reviewed by auditors

No other information other than as explicitly stated has been audited or reviewed by statutory auditors or has been produced as a report.

III. DEFINITIONS AND GLOSSARY

The following explanations are not intended as technical definitions and are provided purely for assistance in understanding certain terms as used in this Prospectus.

2020 Consolidated Financial Statements	The audited consolidated financial statements of the Group as of and for the year ended 31 December 2020 with comparative figures
2021 Consolidated Financial Statements	The audited consolidated financial statements of the Group as of and for the year ended 31 December 2021 with comparative figures
Acquisition	The contemplated acquisition by the Issuer of the total issued and outstanding share capital of Chopin Forsikring
Alm. Brand Liv og Pension	Forsikringsselskabet Alm. Brand Liv og Pension A/S, CVR no. 64145711
APMs	Alternative performance measures
Articles of Association	The Issuer's Articles of Association dated 27 October 2021
Association	Alm. Brand af 1792 fmba, CVR no. 26663660
Board of Directors	The board of directors of the Issuer as registered with the Danish Business Authority at the Prospectus Date
Chopin Forsikring	Chopin Forsikring A/S, CVR no. 41963948, a Danish regulated entity to which the Codan DK Business will be transferred through the Demerger
Codan Denmark	The business as conducted by Codan Forsikring and Privatsikring relating to the Codan DK Business that will be transferred to the Issuer as part of the Demerger being performed by the Sellers
Codan DK Business	The business as conducted by Codan Forsikring and Privatsikring relating to the Danish insurance business, including the assets and liabilities relating to Danish insurance business of Codan Forsikring and Privatsikring and such other assets

	and liabilities transferred from Codan Forsikring to Chopin Forsikring as part of the Demerger
Codan Forsikring	Codan Forsikring A/S, CVR no. 10529638
Codan Norway	Until completion of the Demerger, all assets and liabilities on the general ledger of the Norwegian branch of Codan Forsikring; and after completion of the Demerger, all assets and liabilities on the general ledger of the Norwegian branch of Codan Forsikring and any other assets or liabilities of RSA Scandinavia agreed between Intact and Tryg to relate to the Norwegian operations of RSA Scandinavia pursuant to the terms of the Separation Agreement
Corporate Governance Recommendations	Committee on Corporate Governance's Recommendations for corporate governance of 2 December 2020 (<i>Komitéen for god selskabsledelses anbefalinger for god selskabsledelse af 2. december 2020</i>)
COVID-19	The corona-virus disease which was declared a global pandemic by the World Health Organisation on 11 March 2020
Danish Competition and Consumer Authority	Danish Competition and Consumer Authority (<i>Konkurrence- og Forbrugerstyrelsen</i>), CVR no. 10294819
Danish Business Authority	Danish Business Authority (<i>Erhvervsstyrelsen</i>), CVR no. 10150817
Danish Capital Markets Act	The Danish Consolidated Act no. 2014 of 1 November 2021 on Capital Markets (<i>lov om kapitalmarkeder</i>), as amended
Danish Data Protection Agency	Danish Data Protection Agency (<i>Datatilsynet</i>), CVR no. 11883729
Danish Financial Business Act	The Danish Consolidated Act no. 2497 of 15 December 2021 on financial business (<i>lov om finansiel virksomhed</i>), as amended
Danish FSA	Danish Financial Supervisory Authority (<i>Finanstilsynet</i>), CVR no. 10598184

Demerger	The contemplated demerger in accordance with sections 254-270 of the Danish Consolidated Act no. 763 of 23 July 2019 on public and private limited companies (<i>selskabsloven</i>), as amended, of Codan Forsikring whereby the Codan DK Business will be transferred to Chopin Forsikring pursuant to the Demerger Plan and Trygg-Hansa and Codan Norway will transfer to Tryg Forsikring A/S
Demerger Agreement	The agreement entered into between Codan, Codan Forsikring, Tryg Forsikring A/S and Target further detailing the agreements of the parties thereto in respect of the Demerger
Demerger Balance Sheet	The balance sheet as of 1 January 2021 in draft form reflecting the Codan DK Business as of the date hereof contemplated to be transferred to the Chopin Forsikring pursuant to the Demerger and to form part of the Demerger Plan
Demerger Plan	The demerger plan to be entered into between the entities participating in the Demerger set out in draft form in Schedule 8 to the Share Purchase Agreement
Divestment	Alm. Brand Forsikring A/S' sale of the entire share capital of Alm. Brand Liv og Pension, including its fully owned subsidiary, Alm. Brand Ejendomsinvest A/S, to Nordic I&P DK ApS 1 March 2022
DKK	Danish kroner, the lawful currency of Denmark
EEA	European Economic Area
Enlarged Group	The Group and Codan Denmark
EU	European Union
EUR	Euro, the lawful currency of the European Union
Executive Management	The executive management of the Issuer as registered with the Danish Business Authority at the Prospectus Date
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the

	processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), as amended
Group	Alm. Brand A/S together with its consolidated subsidiaries
IFRS	International Financial Reporting Standards as adopted by the EU
Intact	Intact Financial Corporation, registration no. 940573-365529
Issuer	Alm. Brand A/S, CVR no. 77333517
Management	Board of Directors and Executive Management of the Issuer
Manager	Nordea Bank Abp, Business ID 2858394-9
Memorandum of Association	The Issuer's memorandum of association related to the incorporation of the Issuer 28 March 1985
MiFID II	EU Directive 2014/65/EU on markets in financial instruments, as amended
Nasdaq Copenhagen	Nasdaq Copenhagen A/S, CVR no. 19042677
Nordea	Nordea Bank Abp, Business ID 2858394-9
Notes	DKK 1,300,000,000 Floating Rate Subordinated Callable Tier 2 Capital Notes issued by the Issuer
Offering	Offering of 1,387,026,000 shares in the Issuer pursuant to the prospectus dated 8 November 2021 to existing shareholders and to retail and institutional investors and the private placement in the United States only to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A under the U.S. Securities Act) and the private placements to institutional investors in the rest of the world (including in accordance with Regulation S) in terms of remaining shares

ORSA	The own risk and solvency assessment based on the Solvency II principles
Privatsikring	Forsikringsselskabet Privatsikring A/S, CVR no. 25071409
Prospectus	This prospectus
Prospectus Date	8 April 2022
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Regulation S	Regulation S under the U.S. Securities Act
Reorganisation	The steps necessary for the legal and beneficial ownership of the shares issued by Chopin Forsikring to transfer from Codan A/S to the Seller following completion of the Demerger, currently expected to include: (i) the distributions of the shares issued by Chopin Forsikring to Scandi JV Co; and (ii) the cancellation or buyback of the shares held by Seller in Scandi JV Co in consideration for the transfer of the shares issued by Chopin Forsikring to the Seller
RSA	RSA Insurance Group plc
RSA Group	RSA and its consolidated subsidiaries
RSA Scandinavia	Codan A/S together with its direct and indirect subsidiaries and associated entities including the branches of such subsidiaries
Scandi JV Co	Scandi JV Co A/S, CVR no. 41853301
Seller	Scandi JV Co 2 A/S, CVR. no. 41853271
Sellers	The Seller and the Ultimate Sellers together
Separation Agreement	Separation agreement between Intact, Regent Bidco Limited, Tryg, Scandi JV Co and the Seller

Share Purchase Agreement	Conditional share purchase agreement entered into on 11 June 2021 by the Issuer and the Sellers concerning the acquisition of the entire issued and to be issued share capital of Chopin Forsikring
Shareholders	Shareholders of the Issuer
Shares	Shares in the Issuer
Solvency II	Directive 2009/138/EC of 25 November 2009 on the taking-up and pursuit of the business on insurance and reinsurance, as amended
Solvency II Regulation	Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance, as amended
Target	Chopin Forsikring A/S, CVR no. 41963948, a Danish regulated entity to which the Codan DK Business will be transferred through the Demerger
Transaction	The acquisition of Codan's Danish business
Tryg	Tryg A/S, CVR no. 26460212
Trygg-Hansa	Until completion of the Demerger, the assets and liabilities on the general ledger of the Swedish branch of Codan Forsikring, together with Codan Forsikring's shares in CAB Group AB and Holmia Livförsäkring AB; and after completion of the Demerger, all assets and liabilities on the general ledger of the Swedish branch of Codan Forsikring, Holmia Livförsäkring A/B and RSA Scandinavia's shares in CAB Group AB, and any other assets or liabilities of RSA Scandinavia agreed between Intact and Tryg to relate to the Swedish operations of RSA Scandinavia pursuant to the terms of the Separation Agreement
TSA1	Transitional services agreement entered into between RSA and Codan Forsikring on 1 June 2021

TSA2	Transitional services agreement entered into between Chopin NewCo A/S (now: Chopin Forsikring) on one side and Tryg Forsikring A/S on the other side on the date of the Demerger
Ultimate Sellers	Tryg and Intact
US Branch	The branch which until 19 October 2021 was registered under the laws of the State of New York as the United States Branch of Codan Forsikring being Codan Insurance Issuer, Ltd. (U.S. Branch) with registered office at 220 White Plains Road, 3rd Floor, Tarrytown, NY 10591, USA
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VP Securities	VP Securities A/S, CVR no. 21599336